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Cochairmen Cancel 10 Aug Meeting

AU1008091493 Paris AFP in English 0857 GMT 10 Aug 93

[Text] Geneva, Aug 10 (AFP)—The co-chairmen of Bosnian-Herzegovina peace talks cancelled Tuesday morning's [10 August] meeting since Bosnian Serb forces had failed to withdraw from a strategic height overlooking Sarajevo, their spokesman announced here.

Co-chairmen Lord Owen and Thorvald Stoltenberg had called Bosnian Serb leader Radovan Karadzic and pointed out that Serb forces were still on Mount Igman.

"(The co-chairmen) suggested he contact his people in the field and arrange for the withdrawal of those forces," Mills said.

"Consequently there will be no meetings this morning."

The UN forces in Sarajevo had reported that the Serb militia had left Mount Bjelasnica, as they promised to do under an agreement signed with the Bosnian government army on the weekend, Mills said.

However the withdrawal from Mount Igman, promised under the same UN-brokered agreement, was "not proceeding as quickly as it might."

"It should have been completed by now," Mills added.

"We thought it was not fair to ask (Bosnian) President (Alija) Izetbegovic to come (to the negotiations) when they were Serb forces still on Mount Igman." [as received]

When UN patrols tried to drive up to the summits of Igman and Bjelasnica Monday, they were blocked by a minefield and a crowd of angry Serb women.

Under the agreement, the UN forces are to take control of the mountains, which the Serbs captured from government forces in the past two weeks.

The Serb forces agreed to withdraw from the heights as the United States put heavy pressure on the North Atlantic Treaty Organisation (NATO) to intervene militarily in the conflict.

Izetbegovic on Talks

AU1008084593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 10 Aug 93

[Report by Nada Al-Isa from Geneva]

[Text] The Geneva talks on peace in Bosnia-Herzegovina probably will not be held today either if the aggressor does not pull back from Bjelasnica and Igman, Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, has stated.

If we do not receive verified and confirmed reports that the aggressor's army has withdrawn, we will not and cannot any longer negotiate with those who are (?ordering) the attacks against our country, President of the Bosnia-Herzegovina Presidency has stated, announcing that today also he will only talk to Lord Owen and Thorvald Stoltenberg, the international mediators at the Geneva conference. [Words indistinct] Sarajevo, that is to say, Bosnia-Herzegovina, the talks can continue.

A meeting of the Bosnia-Herzegovina (?representatives) with the international mediators was held last night but, as President Izetbegovic stated after the meeting, the Bosnia-Herzegovina side did not agree to continuation of the negotiations, that is to say, none have been scheduled for today because the aggressor has not withdrawn.

Izetbegovic Denounces Serbian Plan

AU0908191593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 9 Aug 93

[Report by Nada al-Isa from Geneva]

[Text] The entire day has gone by of waiting for the negotiations on peace in Bosnia-Herzegovina to resume, and it has not yet happened, at least as I report.

Alija Izetbegovic, president of the Presidency of Bosnia-Herzegovina, has told us that he is still waiting to be officially invited by [Conference on Yugoslavia Cochairmen] Lord Owen and Thorvald Stoltenberg to the resumption of the talks. Therefore, night talks are also possible. Nobody has yet officially informed us, Izetbegovic says, if the other negotiators have arrived in Geneva, or if anybody has. What is most important is that there is still no official confirmation, at least not here in Geneva, of reports that the aggressor has withdrawn or is withdrawing from Mt. Bjelasnica and Mt. Igman.

Foreign Minister Haris Silajdzic has said that he has learned that the aggressor is withdrawing from Bjelasnica and that UNPROFOR [UN Protection Force] troops have arrived on Igman, although there are no reports that the chetniks are withdrawing.

President Izetbegovic commented on this as follows: I have no official confirmation that the aggressor has withdrawn from Bjelasnica. It would be good if that were true. However, he must withdraw from Igman as well. That is the condition—both Igman and Bjelasnica. Therefore, we still do not know where [words indistinct] and who has arrived in Geneva. Lord Owen has not told us. We don't even know whether he is back from his weekend break. Nor was Stoltenberg here either, as he went to have a rest somewhere in the mountains.

Therefore, dear listeners, people are still waiting in Geneva. Night talks are also possible.

We have just learned something about the famous maps. As is known, there are two maps: the Serb-Croat proposal and the Bosnia-Herzegovina proposal. The Serb-Croat map proceeds from the situation on the ground and the main effort is to base it exclusively on ethnic division. The Bosnia-Herzegovina proposal is trying to respect ethnic criteria, but it also insists on a geographical, economic, and communicational entity, without neglecting the reality on the ground. Even [words indistinct] glance at the maps, one can conclude what each map gives each side, considering the number of citizens of Bosnia-Herzegovina, the number of one the other, or the third people, as well as the (?aspects) that every state or republic must have.

Members of the Bosnia-Herzegovina delegation point out that the differences between the Serb-Croat and the Bosnia-Herzegovina proposals are large. For example, the Serb-Croat proposal envisages 29-30 percent of territories for the future Bosnian Republic. But this does not envisage any hydroelectric potential or any other natural resources of vital importance. It proceeds almost completely from the situation on the ground and the relations of forces and wants to dictate a division of territories.

The Bosnia-Herzegovina proposal is careful to give all three peoples territory according to their number and (?vital needs). As we have already reported, the Bosnia-Herzegovina proposal requires for the future Bosnian Republic access to rivers and the sea, as well as room for 2.5 million people, under the conditions that this is a unified geographic and economic entity.

We have already said that the Bosnia-Herzegovina delegation has a considerable number of remarks on (?Croat-Serb proposal). The main remark is the one President Izetbegovic expounded on: This map, the president says, has many shortcomings, but the worst is that the most tragic scenes of genocide against the Muslim people, such as Prijedor, Kozarac, Zvornik, and Foca, would be given to the aggressor. This would in fact represent a reward to the aggressor for the horrendous crimes that he has committed. This must not be permitted, President Izetbegovic pointed out.

Karadzic Comments on Talks

LD1008005793 Belgrade TANJUG Domestic Service in Serbo-Croatian 2122 GMT 9 Aug 93

[Excerpt] Geneva, 9 Aug (TANJUG)—The first round of the bilateral talks between the cochairmen and the representatives of the three belligerent sides ended late this evening in Geneva with an agreement to resume negotiations tomorrow morning. The cochairmen intend to resume bilateral contacts, after which they will possibly convene a plenary session.

Tomorrow and over the next couple of days, the Serb side will accelerate the handover of Mts. Bjelasnica and Igman to the United Nations, which creates favorable conditions for the continuation of the talks, Dr. Radovan Karadzic said this evening.

On ending the bilateral contacts with the cochairman, Karadzic expressed reserved optimism in, as he said, the outcome of the current round of negotiations but, he remarked, everything depends on the international community.

"The keys to our crisis have been in the hands of the international community for a long time. If the international community wants peace, this can be attained by concessions on the part of all three sides, and with the willingness to end the Bosnian crisis once and for all," Karadzic said.

He expressed the conviction that the plenary session will take place tomorrow after all, and that the resolution of certain extremely sensitive maps will also be finalized. "The Serb and Croat sides have so far displayed a maximum degree of cooperation regarding a certain quota of territories that the Muslim side is supposed to acquire," Karadzic said.

Commenting on the Brussels decision, Karadzic said: "It is good that a political decision has not been reached. These threats are certainly not giving an impetus to the conference. It is unclear why the Muslim side would be wishing to arrive at a solution in haste when the absence of a resolution is linked to a solution. If the Muslim side is interested in attacking Serb positions it is certainly not interested in a political settlement," Karadzic assessed.

The president of the republic of Srpska added that a great deal of responsibility for the above-mentioned threats lies on the internatioanl community because this encourages the Muslim side not to accept a political settlement.

Karadzic believes that that the Muslim side will probably try to procrastinate on reaching an agreement as long, he said, as the international community is favorably inclined. "That is why I am calling on the international community to balance out its approach to all the sides in the conflict and prod them into accepting a political, not a violent, solution," Dr. Karadzic concluded. [passage omitted]

Karadzic on Possible Intervention

AU0908193593 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 9 Aug 93

[Report by Dusan Cukic from Geneva]

[Excerpt] Everything is still being awaited here in Geneva. On Thursday [5 August], when they decided to give Izetbegovic a break so that he could talk things over with his supporters, talk over the maps of dividing the former Bosnia-Herzegovina, cochairmen Owen and Stoltenberg called a new peace session at 1800 today. The Muslim leader is again disrupting an already-uneasy situation with his blackmail. Unfortunately, this is nothing new, and all his demands have already been heard.

Fikret Abdic [Bosnian Presidency member] arrived at the Palace of Nations at the set time. He said nothing to the reporters there, but hurried along toward Owen and

Stoltenberg's office. So the peace dialogue is again under way. Mate Boban [Bosnian Croat leader] arrived just before 1900. The mere fact that we are here is an important thing. I will stay for as long as is needed. The talks proceed. There are many convincing reasons for all three sides to continue the talks, come to an agreement, and bring peace to the new Bosnia-Herzegovina, Boban told reporters.

The Serbian side obviously wants to negotiate and that is why [Bosnian Serb leader] Radovan Karadzic also arrived in Geneva this afternoon, and at 1900 he appeared at the Palace of Nations. The president of the republic of Srpska said that Izetbegovic was against a political solution and was persistently counting on the military option from outside. Karadzic stressed that a civil war was being fought in Bosnia, and it was impermissible for anyone to get involved on any one side.

Speculation about what NATO's Brussels session might decide is to the forefront in Geneva. There is no doubt that the Muslims are counting on that card as one of the remaining, and perhaps last, trump cards, but the feeling in the Palace of Nations is that the Americans and their European comrades in arms cannot launch a unilateral or united action without the definite go-ahead from the Security Council and the UN Secretary General. Diplomats from these bodies even indicated in conversation with me that their countries, if it came to a vote, would most certainly be against intervention. The feeling here in Geneva is that peace in Bosnia-Herzegovina can be reached through political means, and that regardless of Izetbegovic's obstructions, which are obvious to all, the moment when the guns fall silent is fortunately not far away.

Radovan Karadzic reiterated again today that the forces of the republic of Srpska would pull back from Mt. Igman and Bjelasnica if UNPROFOR [UN Protection Force] takes over full and complete control. As for the alleged new attack on Gorazde, Karadzic said that it was only the Muslims trying to trick the international public. Izetbegovic sees his only way out through war and is undermining peace with all his might. He has been doing it persistently since Lisbon, and for almost two full years he has been inflicting great evil on his people and others. This must come to an end, Karadzic said. [passage omitted]

NATO Agrees To Prepare for Air Strikes

AU0908204793 Paris AFP in English 2031 GMT 9 Aug 93

[Text] Brussels, Aug 9 (AFP)—The North Atlantic Treaty Organisation agreed here Monday [9 August] to prepare for imminent air strikes on Bosnian Serbs if they continue to besiege Sarajevo and other Moslem areas in Bosnia-Herzegovina.

U.S. Assistant Secretary of State for European Affairs Stephen Oxman said after a NATO meeting that a decision to launch air strikes could be taken within days. "We will finalise operational details within 24 or 48 hours," he said at a press conference.

The meeting, comprising ambassadors from NATO's 16 member countries known as the North Atlantic Council (NAC), took no decision to launch immediate bombing raids.

The alliance said in a statement that the first strike would need a decision by the NAC and UN Secretary-General Butrus Butrus-Ghali.

Officials said subsequent operations would need a green light from a NAC meeting and a UN official delegated by Butrus-Ghali.

This means that a bombing raid decision would need the approval of all 16 NATO members plus the United Nations.

However, Oxman said the NAC had acted with unprecedented speed to accept the initiative of President Bill Clinton 11 days ago "to put NATO airpower at the service of diplomacy."

And NATO Secretary-General Manfred Woerner warned: "Let no one doubt that this alliance has the will to implement its decisions. ... I hope nobody will test the resolve of NATO."

The NATO statement said the NAC was prepared to meet at short notice to approve air strikes if the Serbian sieges of Sarajevo and other Moslem areas were not lifted.

The NAC said it would keep a close eye on the situation in Bosnia, and would be prepared to reconvene at short notice to authorise air strikes.

The meeting called on the NATO military to identify bombing targets rapidly. A senior U.S. official said this work had already reached an advanced stage.

The NATO statement said the situation in Bosnia-Herzegovina was "dramatic and unacceptable."

"It is essential that the Bosnian Serbs lift without delay the siege of Sarajevo and the heights around the city, and that the means of access are placed under the control of UN Protection Forces," it said.

"Actions and provocations throughout Bosnia-Herzegovina should cease," it said.

The statement added: "The air strikes foreseen ... are linked to the support of humanitarian relief, and must not be interpreted as a decision to intervene militarily in the conflict."

Hungary's Initiative for Adriatic Oil Pipeline

93BA1287B Zagreb DANAS in Serbo-Croatian
16 Jul 93 pp 12-14

[Article by Boris Komadina: "The Petroleum Ace Up Croatia's Sleeve"]

[Text] The parallel between the energy interests of the United States toward Kuwait and of Hungary toward Croatia is quite apt, but with one difference. Hungary quite certainly will not protect its interests with an army. "All countries damaged by the closing of the Adriatic Oil Pipeline will officially call upon the United Nations to reopen it. The aid of UN Secretary General Butrus-Ghali will also be requested in the realization of that demand," says Andre Erdos, Hungarian ambassador to the United Nations, also adding that consultations about this had already begun among Hungary, Croatia, Slovenia, Austria, Slovakia, and the Czech Republic, and it is expected that Ukraine and Poland will join them soon.

On 8 September 1991, when a projectile damaged the main valve and control mechanism of the port of the Adriatic Oil Pipeline in Sisak and thereby prevented for a time the flow of petroleum along that jugular vein of what at the time was the Yugoslav energy system, it became clear that a so-called energy war had begun. Attempts to put the oil pipeline on stream nevertheless failed on Saturday, 14 September. At that time, the chetniks between Krnjak in Kordun and Hrastovica near Petrinja put the pipeline out of commission. Aside from that point, the valves of the pipeline in that region are also at Vojnic, Vrginmost, and Glina. How the chetniks carried out that sabotage is well-known. It was not a matter of damage and destruction, but of closing one of the valves. That is, an oil pipeline 770 km long delivering petroleum from the terminal at Omisalj on Krk to refineries at Sisak, Lendava, Bosanski Brod, Pancevo, and Novi Sad and to meet the needs of Hungarian, Czech, and Slovak refineries has not been in operation since 14 June 1991.

In 1990, the Adriatic Oil Pipeline carried a total of 90.657 million metric tons of petroleum, 3.16 million for the Pancevo Refinery, 1.29 for the Novi Sad Refinery, 2.016 million for the Bosanski Brod Refinery, and 1.337 million tons of petroleum for the Sisak Refinery. These figures indicate most eloquently who really needs the Adriatic Oil Pipeline and who had the greatest benefit from it. Thus, in 1990 the Sisak Refinery refined a total of 3.366 million tons of petroleum, of which, as we have said, 1.337 million tons were imported (that is, the petroleum was delivered by the pipeline), while the remainder came from domestic fields in Slavonia—2.5 million tons. INA's other refinery is in Rijeka; in 1990, it refined 3.408 million tons of petroleum. However, it is important that all those amounts were delivered by tanker directly to the refinery (at Urinj), and accordingly that refinery had no benefit from the oil pipeline.

To Whom Is the Oil Pipeline Important

So, it is clear that the Croatian market can survive very easily without the Adriatic Oil Pipeline. That oil pipeline has crucial and vital importance to Serbia by contrast.

Until the embargo of the United Nations took effect (and also afterward), the Serbs supplied themselves in other ways. They relied mostly on the countries of the former Soviet Union (Russia and Ukraine) and Romania. Petroleum was brought from Russia (and probably still is) by the pipeline to Constantsa in Romania, and from there by river vessel or rail to refineries at Novi Sad or Pancevo.

Because of the war in Croatia and its consequences, the idea of expanding the pipeline which runs from Trieste to Ingolstadt has come to the foreground ever more seriously. The capacity is limited, but the Czechs, for example, undertook that construction, because for them this is the only solution, even though it is very expensive. What is more, the port at Trieste can take only vessels with a capacity up to 150,000 tons because of the shallow depth of the sea, which increases the waiting for unloading. On the other hand, the port at Omisalj is deep-water, sheltered, and can take larger vessels, which in practice means that here the "black gold" is $2 to $3 per ton less expensive to transport. Quite recently, the idea and project of bringing liquefied natural gas from Algeria to the Croatian coast and beyond by gas pipeline to central Europe has also become important. That natural gas would be converted to liquefied gas, loaded onto vessels, transported to the port at Omisalj and beyond by gas pipeline. Many countries in central Europe are interested in such a project. The project is being handled on behalf of Croatia by INA of Zagreb, but it is of interest that the Slovenes have been trying to establish Koper as the seaport on the Adriatic! That variant was dropped after an independent American company did a study which established that the sea is too shallow at Koper, and the city is also nearby. Omisalj, meanwhile, seems to have been created for such a project. The Adriatic Oil Pipeline would be part of that project along with its entire infrastructure, and the route of the oil pipeline would follow it all the way to the Hungarian border. That is extremely favorable, because the route already exists in the same corridor, so that there is no need to do the entire job twice.

An Occasion for Shipbuilding

Ante Cicin-Sain, general director of the Adriatic Oil Pipeline, had spoken about that even earlier: "Istria is very interested in that project, because it is rather neglected from the energy standpoint. According to certain estimates, the port at Omisalj would cost $750 million, which most probably would be done on the principle of a joint-stock company in which all the shareholders would have proportional shares in construction. The special vessels to carry the liquefied gas might be built by Croatian enterprises thanks to their abundant experience, and that means that a large part of the job could be done quickly. Unfortunately, we first have to wait for the end of the war."

But let us go back to the beginning and to the interest above all of Hungary, but also of the Czech Republic and Slovakia, in the reopening of the Adriatic Oil Pipeline. As matters now stand, both countries are interested in as much as some 12 million tons per year (the capacity of the pipeline, that is, of its entire infrastructure, is now about 15 million tons), and if that flow was guaranteed them, construction of the pipeline would probably be extended through Hungary to Slovakia. There have even been announcements of new intergovernmental agreements that would realize that initiative immediately after the pipeline is reopened.

Hungary has a strong motivation for pushing the opening of the Adriatic Oil Pipeline. Since the day when the pipeline was closed, Hungary has been suffering large losses and has been forced to purchase petroleum exclusively in the countries of the former Soviet Union, above all in Russia, which is doubly dangerous under present conditions. The first reason is that Russia is producing less petroleum than before and might cease to export it to Hungary, and the constant dispute between Russia and Ukraine, across whose territory the pipeline passes on its way to Hungary, is the second danger. The seriousness of the Hungarian initiative is indicated by its having been taken by the highest political leadership. Thus, Geza Jesensky has begun a broad diplomatic initiative for the opening of the Adriatic Oil Pipeline.

Official Croatia, which has already become fairly resigned concerning the promises of the international community, is maintaining a patient silence and listening carefully, maintaining constant contacts with the Hungarian Government.

EC Monitors Investigate Border Shooting

AU1008085493 Tirana ATA in English 0826 GMT 10 Aug 93

[Text] Tirana, August 10 (ATA)—After reports on the severe incidents on the Albanian-Serbian border, in the border area of Lugu Izi [as received], in the district of Tropoja and the letter of the Albanian foreign minister to M. Albright, president of the UN Security Council, ECMM, European Community Monitor Mission, regional center of Tirana, convened and gave the following conclusions regarding the above incidents:

1. The mixed border commission was to meet on the 07th August at 1200 hours [1000 GMT]. They started at 12.30 hours and finished at 17.00 hours. Meanwhile the ECMM team was asked by the Albanian part of the commission to join. However, when the Serbs saw us, they started protesting and stated to break off the meeting if we remain present as observers. So, we had to leave and to the time to talk with the two soldiers present in the first incident, and one from the second one.

2. The sequence of these unfortunate events have been told as follows: in the morning of the 06th august, at about 1100 hours, a patrol of three Albanian soldiers was approaching to farmers cutting the grass to ask for some water. After they had received the water they continued their patrol along the border. They were suddenly fired upon from the Serbian side and one of the soldiers was severely wounded.

When one of the farmers wanted to help and evacuate he too was shot in his legs. After a short time, the other two soldiers and the second farmer managed to get the two wounded on horses and bring them down to the border post. The place where the incident happened was on Albanian side. The second incident happened at about 13.30 hours. Another patrol of the same border post further north on patrol had heard the shots and turned to find out what happened. When the three soldiers arrived at the place of the first incident, nobody was there to tell them what happened (they only found a pair of shoes, a blouse and a water bottle). They rested for a while and then decided to go on patrol to the north again. After having left for about 50 meters, they were fired and the second of the three going in a row, was hit in the neck. The first soldier immediately started running to the border post, the other hid in the bushes, waiting for a while and when it stayed quiet, helped his wounded comrade who was bleeding quite heavily. However, the soldier could only be recovered by other soldiers coming up from the border posts, which took some time. The place of this incident was also inside the Albanian territory.

3. ECMM team couldn't find any evidence on the ground or in the statements of the Albanians which have been contradictory to the above. Before the Serbian part of the mixed commission arrived, the ECMM team had the occasion to visit the places where the incidents took place. Traces of blood on both places were found inside the Albanian territory which proves that the wounded persons were on the Albanian side of the border when the incidents happened.

National Bank Selling Dollars for Leks

AU0908123393 Tirana ATA in English 0817 GMT 9 Aug 93

[Text] Tirana, August 9 (ATA)—In the days prior to August 5, the national commercial bank had sold nearly 2 million dollars.

"This bank holds lots of dollars and it needs its liquid assets in leks. The sale is also intended to balance the exchange rate between the dollar with lek" an official of foreign sector of this bank declared. Also he said that the central bank has bought nearly half of the amount offered.

As a result of the sale, the position of the lek has strengthened since the rate of the sale was 95 leks per dollar. On August 5, this bank was selling dollars at 101 leks. At present the bank has suspended all exchange activities between the lek and all other currencies except the dollar.

According to street rumors, the bank has about 8 million dollars to sell, but this has not been confirmed.

The director of the bank said that he thinks that selling of his dollar holdings is the most appropriate policy at the moment. Meanwhile this bank continues to sell dollars every day.

Another Member of Nano Government Arrested

AU1008110593 Tirana ATA in English 1009 GMT 10 Aug 93

[Text] Tirana, August 10 (ATA)—The group that investigates the question of corruption, theft and abuses with Italian aid, after a great work and a fruitful cooperation with Italian structures of justice, has found documents which are a clear proof for corruption and theft on the part of members of Nano government, the spokesman of Investigation Office of the Tirana district declared to ATA reporter.

In this regard, this office ordered the arrest of Farudin Hoxha, former senior official, member of the last communist government in Albania. The defendant is accused of abuse of office and state corruption with Italian aid. Investigation continues.

Fatos Nano Protests Removal of Immunity

AU0908070093 Tirana ZERI I POPULLIT in Albanian 28 Jul 93 pp 1, 3

[Speech by Socialist party Chairman Fatos Nano at a meeting of the Socialist Party General Management Committee in Tirana on 27 July; "Let Us Not Allow Anyone To Trample on Justice"]

[Text] Dear brothers and sisters: Neither I nor the party I lead are surprised at or unprepared for the demand issued by the procurator-general for the removal of the Socialist Party [PSSh] chairman's immunity. We have waited for this together for a long time, not in sleep, but observing with concern and responsibility the most medieval kinds of pressure that the party-state has been exerting on the judiciary at meetings, in offices, in newspapers, and at rallies. We are not in the least surprised, because the PD [Democratic Party]- type leaders, the bought political prostitutes of the beds of the Dajti Hotel or the swimming pools of America, have openly declared that "Either Fatos Nano goes to prison, or the PD will be destroyed."

I am not the first political victim of the Ballist-fascist state that is being reestablished in Albania by the revanchist clan led by Sali Berisha. For more than one year now, the judiciary has been subject to the feudal-court-style pressure and threats of Sali Berisha's party. For more than one year now, every honest Albanian has been threatened with prison or the removal of his children's bread if he dares to demand political and social justice. We all know the facts, and proclaimed them long ago as we denounced the crimes of the current government and the blind alley down which this government, this regime, has led the country.

Brothers and sisters, long ago I told the truth about the pseudoaccusations raised against me to the party, its members and supporters, and the people. Being utterly false, they are a disgrace and a danger for all Albanians. The chief controller [Blerim Cela, chairman of the State Control Commission], the new Rasputin of the state's court, received instructions and sweated hard with a bootlicker's simulated zeal to compile a filthy accusation that is not simply aimed at my person, but first of all at the party I lead. Berisha, Kalakula, Zhulali, Cela, Arbnori, Dosti, Butka, Spahia, and others, who until yesterday sought favors of Enver Hoxha, even in letters of devotion sent from prison cells, are scared of the PSSh, its ever-increasing authority and support, the genuine democratic and national ideals of its members and supporters, and our courage in denouncing Albania's regression to the Middle Ages or to a "banana republic" on the auction block.

"Diplomats" of the Hill and Ryerson type, who laid the scenario on the table in front of Berisha after making their careers in the CIA and in Belgrade, have also felt this. Their warnings against the Socialists during the election campaign were not at all accidental, and nor was their pathological delight in instructing a general political genocide in Albania against all these who denounced and opposed the implementation of the moth-eaten McCarthyite "anticommunist" scenarios, prepared, not for our country alone, in the postwar period of the "Truman Doctrine." Berisha and his clan did not hesitate to act on the instructions and ready-made schemes signed in secret offices. Those who talk so much about freedom now only breathe inside the sack into which they have thrust their heads. They will go on as they have set out, toward suffocation. The ends of dictators and dictatorships are inescapable. It is a major disaster that Albania is not ruled today from Albania. Policies for Albania are not made in Albania, for the Albanians, and with Albanians. This is the alarm and summons to arms today, not simply the removal of my immunity or the curtailment of my political or physical freedom, but Albania's transformation into an ideal client state, without dignity or sovereignty. I am convinced that the Albanians will not allow the fascist plague, a new regime of colonels trained by the officers of the Gjonmarkajs and company, to turn Albania back.

Even if I am put on trial for abuse of office, because "As prime minister, I did not count the cartons of marmalade and jam jars," those who devised this filthy farce will soon have to answer for selling Albania and putting the country up for auction. They will answer for the destruction and arson. They will answer for their corruption and for despoiling the fruits of the sweat of the people and the Albanian nation, past and future. They will answer for the vandalism of monuments and memorials. They will answer for the blood of the martyrs, the blood of young boys and girls which they treat like water as they give high ranks to criminals and thus murder these patriots all over again. Those who wield power today have a great deal to answer for, and time does not wait. Alas for them who do not realize this, and blithely imagine that they can maintain power with violence, police, threats, pressures, and prisons. The neodictators and Ballists who manage the state today will meet the same end as those whom they so zealously served in villas, clinics, or terrorist camps within or beyond our borders. There can be no two yardsticks for dictatorships and dictators. There is only one yardstick, and that is the yardstick of justice and the people's love for their homeland.

The scenario devised against me did not arise by chance. The sold and corrupted wielders of power, emasculated in their chic offices or the bars of five-star hotels, have realized that the steed they have mounted back-to-front cannot carry them far. They realize that, confronted with their revanchist-Ballist-fascist policies, the PSSh has been and is an obstacle and a highly organized force that reads the cards they have up their sleeves and dares to expose and denounce with full voice their antinational, illegal, antipopular, antidemocratic, fratricidal, and divisive activities, which are alienating the Albanians from civilized Europe. It is the PSSh that denounces the policies suppressing and denying basic human rights and freedoms, persecuting public and political personalities, journalists, and hundreds of thousands of ordinary citizens who dare to think and write differently from their rulers or to protest social and economic injustices.

It is the PSSh that denounces the illegal and anticonstitutional activities of the National Intelligence Service [ShIk] in surveilling, bugging, harrying, and threatening free citizens, including even deputies of the People's Assembly, and which exposed both the pseudoreform in the Army that has destroyed the country's defense and the return of the police state.

It is the PSSh that has denounced the economic policies of those in power which have led the country down a blind alley into the utter chaos, in which hundreds of thousands of unemployed live on welfare, without any opportunities or prospects for themselves or their children and families.

It is the PSSh that has denounced the rulers' and Ballist-Zogist inquisitors' denigration of the glorious National Liberation War, of the blood of 28,000 ordinary sons and daughters of the people, who shouldered rifles to liberate the homeland from the fascists and their quisling, Ballist, Zogist, or pseudopatriotic collaborators. We will not allow the new Ballists and fascists, spawned of old, branded criminals, to trample on this history written in the blood and wounds of our honest, simple, dedicated, and patriotic forefathers. Those who disinter history and kiss on the lips common criminals of the Gjonmarkaj type will answer for what they do. Do not touch the marble with which we built the graves of our martyrs and heroes, you dark medieval forces, spawn of your fascist fathers! The martyrs live among the living with their powerful calls for democracy. They may be dead, but they frighten you, just as we, their living children, frighten you. We will rebuild those monuments and memorials that you destroyed! You will vanish without leaving a trace in history!

It is the PSSh that denounces the incompetence and antidemocratic acts of parliament, which, with its national and extremist majority and the violence of the voting card is devising laws that set Albanian against Albanian, is inciting fratricidal revenge, is selling the country, is destroying the economy, and is enriching a few blue-blooded reptiles to the detriment of a people that can hardly secure bread for its children.

It is the PSSh that denounces the intentional blockade of local government, governmental and presidential arbitrariness, and the paralysis of economic and social life by the most absurd structures and authorities that cultivate fear and subjection to dictatorship instead of freedom and modern civilization.

It is the PSSh that powerfully denounces the foreign policy of broken doors that the PD-type rulers pursue, a policy without national orientation, without principle, without priorities, without dignity, and thus without future for the country. Such a policy has placed a great question mark over our country, has put the interests of the people and the homeland up for auction, and has made the Albanians foreigners in their own homes. Berisha and his clan will answer to the Albanians for this! They will answer for their treachery to the Albanians' pan-national cause, for their acquiescence in denying Kosovo's autonomy, and their undercover flirtations that allow others to violate the Albanians' dignity and to deny them their legitimate rights to partnership and peaceful cooperation in the Balkans and in Europe.

It is the PSSh which, denouncing such antinational and antipopular policies, demanded the government's resignation and a change in the crooked manner of government, which denounced official corruption and the rulers' filling of their pockets through an illegal government decision; which demands an account of the millions stolen from the coffers of the State Bank for the election campaign and the scandals that have spoiled our relationships with our European neighbors. Above all, it is the PSSh that has conceived and formulated the overthrow of communism and the democratic transition in Albania as a project of pan-Albanian cooperation and solidarity, without distinction of religion, region, or convictions, without revenge and a settling of political scores, and with a program of national reconciliation and reconstruction, oriented toward the future, that also respects the economic victims of communism as victims of political persecution, demanding for all Albanians work, property, social protection, and national dignity. This principled stand remains unchanged. Albania can be remade by courageous and clever people, the honest poor, and educated people who preserve national tradition and culture, regardless of which party or region they belong to. Yesterday's and today's persecutors, or medieval illiterates with their eyes bloodshot with revenge, cannot become partners with foreigners. One cannot hide the sun with a sieve! Those who are guilty will not escape the judgment of history, the judgment of the people. A political state cannot last long when faced with the rule of law, which will certainly triumph in Albania. We who denounced the Red blockmen [former Albanian Workers Party leaders] will also neutralize the people's new bloodsuckers.

Brothers and sisters, you have known Fatos Nano and loved and respected him as your comrade. I am as clean and honest as you yourselves are. At the head of the party, I have striven and struggled with all my strength for the good of democracy in Albania. I have done this with total conviction and with pure ideals, like yourselves. I had the courage to denounce the crimes and criminals of yesterday and today; they therefore accuse me and want to lynch me. I am not discouraged, because I am not alone. I will continue to denounce the unprincipled and to defend the truth. I have been insulted and labeled with the basest epithets. For two years now, the lowest slanders and accusations have been devised against me. The most fascist forms of economic, psychological, and physical pressure have been used against me. I have not flinched and will not flinch at any sacrifice, at any price. I have embarked on this road for the sake of genuine democratic ideals and for a democratic Albania, not for my own interests or for an armchair. I too might have filled my own pockets like the ministers and rulers of today, but I would not have been able to look my innocent children in the eye, if I were not the person I am. I would not have three people on welfare in my house, if I were not the person I am. There would be no pressure used against me, including even hooligan assaults on my 75-year-old mother, my wife, children, and sisters, if I were not the person I am. I have brushed aside all these things for the sake of an ideal and for the sake of democratic and national self-dedication. I do not consider all that I have done and will do for the PSSh and a just state in Albania to be a sacrifice but a duty that I will never shirk under any circumstances. You will always see in me the same Fatos Nano that you have known, with whom you have worked and struggled together, a true comrade and brother. I have treasured and appreciated at every step the unstinting support that you have given me as members of the PSSh General Management Committee, friends and comrades-in-arms of the party presidium, and devoted, brave, honest, and self-sacrificing comrades all over Albania and abroad, not only PSSh members and supports. We together have undergone difficult situations and will undergo others, always side by side. Together, we will continue to fight to ensure that the collaborators with fascism and the spawn of criminals and Ballist-Zogists will never usurp power in Albania. Together we will struggle to build the rule of law in Albania, so that all Albanians will go forward together, building the country, becoming their own masters, reviving the economy, and enjoying genuine freedom and democracy as equal citizens of the new Europe. The ever-increasing support that the people are giving to the PSSh strengthens our confidence that we are on the right path, an honest path, and the path that protects national interests.

Dear brothers and sisters, I feel very calm, absolutely calm, because I am absolutely clean. I am not scared either by the removal of my immunity or the courtroom dock that Berisha has prepared for me. Berisha is scared. Berisha is not calm. Berisha is disgraced. I sleep in peace, but Berisha lies sleeplessly. I have friends all over Albania. Berisha is left alone. I have the love of hundreds of thousands of people, and Berisha has their curse. I am able to confront every challenge, while Berisha cannot stand up to a single accusation. The truth is with me, while Berisha has only shame. I am not scared of justice, just as none of you, brothers and sisters, are scared of justice, just as none of you, brothers and sisters, are scared of it, for it cannot be meted out by mercenaries and tribal chiefs.

Together with you, I will be able to defend the party, Socialists, and their innumerable supporters. I will turn every court session with its blows aimed at us into a clear testimony to the numbered days of the Ballist-fascist clan of Berisha and those who hide behind him. Whatever they may receive, I will not weaken and I will not retreat. I have confidence in myself, in you, in the party, in the people, and in the truth. I will continue to be as strong as I am now, because, of the pseudoaccusations leveled against me, I carry on my conscience as much, as the saying goes, as a fly carries on its shoulder.

From this meeting of the PSSh General Management Committee, I issue a call to all the party's members and supporters to devotedly, honestly, determinedly, and patriotically continue the struggle to prevent the further destruction of Albania, to establish genuine democracy and the rule of law, to prevent the neodictatorial police state from trampling on justice and on the people and their future. Anyone who thinks about and struggles for the interests of Albania must now more than ever before summon himself to vigilance. I also issue this call to adherents of other parties and nonparty Albanians. The PSSh and genuine democracy will win in Albania. All the accusations and Ballist-fascist scenarios against the Albanians will fail.

We will win!
Thank you! May we always be successful!
Long live Albania!

Meksi Meets With Italian Health Minister

AU0808142793 Tirana ATA in English 0812 GMT 8 Aug 93

[Text] Tirana, 8 Aug (ATA)— On August 6, the premier Aleksander Meksi had a meeting in Durres with the Italian Minister of Health Maria Pia Garavaglia. Also present in the meeting were the Albanian Minister of Health Tritan Shehu and the ambassador of Italy in Tirana Paolo Foresti.

Mr. Meksi expressed his thanks for the aid by the Italian Government for Albania in the field of health, especially through the "Pelican" operation.

The Italian minister told the reporters present in the meeting that she shared the same opinion with Albanian specialists that the sectors that should be aided most are the surgical and pharmaceutical sectors. She also pointed out that she considers indispensable the coming to Albania of Italian doctors who will work together with Albanian doctors to introduce contemporary methods in the Albanian medicine.

After the meeting, the Italian minister and the persons escorting her, visited the camp of "Pelican" Operation.

Zhivkov, Others Indicted for Embezzlement

AU0908201093 Sofia BTA in English 1844 GMT 9 Aug 93

[Andrey Sharkov report: "T. Zhivkov Did Not Embezzle Even a Single Lev, His Lawyer D. Dokovska Says"]

[Text] Sofia, August 9 (BTA)—Today former party and state leader Todor Zhivkov and another seven party and state has-beens, including ex-Prime Minister Georgi Atanasov, appeared at the National Investigation Service and were presented their indictments in Case No. 3 of giving grant aid to third-world countries and foreign communist parties. The persons accused of gross embezzlement in the same case will be 22, the papers wrote.

Georgi Atanasov, ex-prime minister, will be sued for 157 million leva, Grigor Stoichkov, ex-deputy prime minister and alternate member of the former Politburo of the Central Committee (CC) of the Bulgarian Communist Party (BCP)—for 142 million leva, Georgi Karamanev, ex-deputy prime minister and former BCP CC member—for 131 million leva, Milko Balev, former Politburo member and BCP CC secretary—for 57 million leva, Yordan Yotov, former Politburo member and BCP CC secretary—for 18 million leva. Ivan Iliev, former chairman of the Committee of Planning, was not presented an indictment because his defence was absent. The National Investigation Service received a document from Dimitur Stoyanov, former Politburo member and ex-minister of the interior, the content of which was not made public, the Military Prosecutor's Office decided to leave the charges against the retired Colonel General without consideration because he is no longer in military service. Former head of state Todor Zhivkov will be sued for having embezzled 17 million leva. "It makes no difference how many millions he will be sued for because he did not embezzle even a single lev," Mr. Zhivkov's defence lawyer, Ms. Daniela Dokovska, said.

On leaving the headquarters of the National Investigation Service, the defendants told the press they disagree with the charges against them.

Zhelev, Slovak President Discuss Cooperation

AU0908174693 Sofia BTA in English 1644 GMT 9 Aug 93

[Text] Sofia, August 9 (BTA)—Bulgarian President Zhelyu Zhelev this afternoon conferred for an hour with the president of Slovakia Michal Kovac, who arrived on an unofficial visit to Bulgaria today. Mr. Kovac will holiday on the Bulgarian Black Sea coast at the invitation of Dr. Zhelev. The Bulgarian president's spokesman said today's talks between the presidents of Bulgaria and Slovakia are a continuation of their talks in Brussels a couple of days ago, where the two attended the funeral of Belgian King Baudouin I.

After their session, Presidents Zhelev and Kovac made statements for the press.

"After the separation of the Czech and Slovak Republics, it is only natural to raise the matter of our state-to-state relations: The bilateral treaty, signed between Bulgaria and Czecho-Slovakia, must be updated in some way or a new treaty must be signed," Dr. Zhelev said. He emphasized that "there are no political or any other obstacles to the fastest and most appropriate settlement of these questions."

The Bulgarian head of state observed that the signing of an agreement on the avoidance of double taxation, an agreement on export promotion and reciprocal protection, and of a trade agreement is forthcoming within the framework of bilateral cooperation with Slovakia.

Slovakia is ready to open a Cultural Centre in Sofia, which means that Bulgaria will respectively open a Cultural Centre in Bratislava, the Bulgarian president said.

The Slovak president has made an interesting proposal for cooperation between the Black Sea economic cooperation region, which Bulgaria now presides, and the Central European Initiative. The two countries could help each other's admission in an observer status or participate with projects in the groups of which they are not members.

"Slovakia sees Bulgaria as a friendly country, and even though we are not neighbours, we are linked by the Danube and by historical contacts, we are linked by Slavdom and, after the collapse of the totalitarian regimes, we are linked by our common objectives, our intentions to get integrated into the European structures," said President Michal Kovac of Slovakia.

He emphasized further on that "Slovakia considers Bulgaria to be a significant stabilizing factor in the Balkan region." "We show considerable interest in an observer status in the Black Sea economic cooperation region, and Slovakia is ready to support Bulgaria's participation in various projects within the Central European Initiative," Mr. Kovac said.

The sides expressed readiness for the creation of state-level prerequisites for the invigoration of bilateral relations in the economy, tourism, cultural contacts and for political cooperation at the international level.

President Kovac invited the Bulgarian head of state to pay an official visit to Slovakia.

Zhelev Views Political, Economic Problems

AU0908175493 Frankfurt/Main FRANKFURTER RUNDSCHAU in German 9 Aug 93 p 5

[Interview with President Zhelyu Zhelev by Wolf Oschlies, scientific associate at the Federal Institute for Eastern Scientific Studies in Cologne; place and date not given; the interview, conducted in Bulgarian, was "recently" broadcast in part on Deutschlandfunk radio: "Democracy of the Road Loses Influence"]

[Text] [Oschlies] Mr. President, for a few days now, you have had to do without your vice president, Blaga Dimitrova. In German newspapers, one could read that she resigned because a dictatorship is allegedly being prepared in Bulgaria. How do you view this justification?

[Zhelev] We will move from the U.S. presidential system to the French one, or rather a system without a vice president, until the end of the mandate. [sentence as published] The entire letter of resignation is actually rather superficial and basically dubious. It is hardly suitable for a vice president to refer to the secretary general of the Council of Europe, who has not adopted Blaga Dimitrova's standpoints. Something like that could strain the relations between Bulgaria and the Council of Europe, but I hope that this will not happen.

Regarding the "dictatorship," this is the most dubious accusation. A poet like Blaga Dimitrova can afford to claim that, but as a politician so high up in the state hierarchy, she should not do something like that. What does "dictatorship" mean? A dictatorship begins where the Constitution ends.

In Bulgaria, not one single article of the Constitution has been violated so far. I have always tried to remain strictly within the framework of the powers that the Constitution has given me. However, let us leave the Constitution aside and let us look at the political reality. What kind of "dictatorship" could be meant?

Big rallies are held, protest marches are organized, declarations—justified and unjustified ones—are read on television, things that are blatantly false and do not correspond to reality at all are constantly aired in the press. And no one has ever persecuted the people who are doing all that. Thus, where is the "dictatorship"? This is simply ridiculous and dubious! However, it is not harmless and innocuous because it damages Bulgaria's preside abroad. There will always be some people in Europe who believe that because the vice president said it.

[Oschlies] Mr. President, three and a half years ago here in Sofia, hundreds of thousands of people sang "Zhelyu has destroyed a system." Today some call....

[Zhelev] ..."Zhelev is a traitor!"

[Oschlies] Quite so! What has changed in Bulgaria—Zhelyu Zhelev, the general political climate or the profile of the parties?

[Zhelev] Those who sang at that time where many, many more. There are only a few today who say that "Zhelyu Zhelev is a traitor." This is the extremist wing of the SDS [Union of Democratic Forces] However, not everyone who participates in such a rally is an extremist; there are many who have simply lost their orientation. In order to answer your question seriously, however, I must go back a bit farther.

After the elections of October 1991—which were won by the SDS, although with an extremely narrow majority—today's SDS leadership chose a completely wrong political strategy: the strategy of confrontation with everyone. Consequently, today it quarrels with the two largest trade unions, the KNSB [Confederation of Independent Trade Unions in Bulgaria] and "Podkrepa"; it has fallen out with the entire extraparliamentary opposition, which is 99 percent non-communist or even anticommunist.

And why all that? Just because others have a slightly different view of the matters one permits oneself very dogmatic judgments. There is also a confrontation with the Orthodox Church. It tried to split and it has been split. Now we have two synods, and this was the biggest nonsense, the most serious mistake, because there was no reason at all why the church and the SDS could not have been in agreement.

Then, in the end, the church—thanks to the changes initiated by the SDS—adopted a worthy place in the emerging spiritual vacuum and renewed its leading position. In addition, the church received the guarantee that its entire property—churches, monasteries, etc.—would be returned so that it did not have any reason at all to be against the SDS. Quite the contrary: It fully supported the initiated reforms. However, regardless of that, certain gentlemen were so befogged that they started a war against the church.

[Oschlies] But why?

[Zhelev] Because there was someone who wanted to become bishop at any cost—Khristofor Subev; together with some extremists, he started an attack against the Holy Synod and split it—just so he could present himself as some sort of reformer. However, he could not do that in the end because the entire operation had nothing but negative consequences.

[Oschlies] What happened to the SDS afterwards?

[Zhelev] Afterwards, the SDS managed to enrage the majority of the press—in particular, the part that had the biggest dissemination and the most profound interest in the SDS. In addition, a quarrel in the Army developed with the higher-ranking officers' corps. There was an order by Minister Staliyski, which was supposed to deprive the Army of the military school sector because it allegedly did not fit the civilian engineers' training—a complete nonsense, which had to displease the entire officers' corps. That is why the order was retracted. There were also conflicts with the "Georgi Rakovski" Officers' League—that is, with the association that represents the military-professional interests of the officers.

[Oschlies] Only military-professional or political interests as well?

[Zhelev] Only the military, because the Army has been depoliticized by law in our country. Of course, there is also a patriotic motive but that need not necessarily be political. This association has just been accepted into the

European EUROMIL Association, which raises its legitimacy in the Army itself. All these confrontations, this entire war with all formations of the citizens and of society in the end led to the overthrow of Filip Dimitrov's government, which received a vote of no confidence in parliament.

Then followed further, hardly less serious consequences—the parliamentary majority in parliament was lost because the SDS and the Turkish "Movement for Rights and Freedom" (DPS), which together had a stable majority, separated. Afterwards, the virus spread to the SDS parliamentary group, which was left by 20 or even 25 deputies, who no longer wanted to support this course of extreme confrontation. At the moment, the SDS group is not the only one of its kind. Thus, this profoundly wrong, politically unintelligent course has caused a disaster; the election victory of October 1991 was gambled away, and now someone has to answer to the voters for that.

The guilty ones can be found in the SDS leadership, in its so-called "National Coordination Council," but of course, they reject any blame and are looking for scapegoats elsewhere. The main culprit must naturally be the president because not only did I not support them, but I even distanced myself from them. I warned them months before the disaster that their course would lead to a complete fiasco of the SDS. A year ago, on 30 August, I held a news conference here and said in front of cameras, microphones, and correspondents that this course will be suicidal for the SDS. In the meantime, my prophecy has unfortunately come true.

[Oschlies] How does the eternal problem of the dossiers of the former communist "State Security Service" affect Bulgaria's political life? After all, this is a problem that constantly creates disquiet in society.

[Zhelev] In our country, the question had been moved a bit to the side from the very beginning because the initiative for that emanated from the reform wing of the Bulgarian Socialist Party (BSP, former communists). The reform wing brought about an upheaval within the party that alleviated the political tensions a bit and created new room for democratization processes but also for the speedy formation of the opposition, in particular, against the SDS. However, by then many dossiers had been "cleaned," some disappeared, and others were destroyed. Now the question of opening the dossiers harbors the danger that many people will be affected unjustly. Personally, I believe that the dossiers of people who are deputies or become ministers, president, or vice president should be publicly known.

[Oschlies] Have you seen your own dossier?

[Zhelev] No, I have not seen it. I know that a large part of it was destroyed. Most recently, however, something else happened: The SDS leadership is escalating the political tension in the country to force some holders of state offices to resign—parliament is to be dissolved, new elections are to be scheduled, and the president and the government are supposed to resign. There you see what nonsense they are talking: It is quite impossible to abolish all bodies at the same time; this would lead to chaos in the country; not even the most elementary things could work normally then.

In order to have these demands fulfilled, strikes, tent cities, demonstrations, and rallies were organized, which, however, did not get much support from the people. They soon lost their breath. Still, these things were interesting for me in another context, namely because they concluded a certain stage of development of Bulgarian democracy, during which the street was able to dictate changes in state institutions. After three democratic, pluralistic elections—two for parliament, one for the president—the people want a parliamentary democracy instead of a democracy of the street. The democracy of the street loses strength as soon as the state institutions get a changed legitimacy; they were elected democratically in free multi-party elections, the results of which were not disputed by anyone.

[Oschlies] Let us move to some foreign aspects. Bulgaria, which is fortunately at peace, is the direct neighbor of ex-Yugoslavia, where there is a civil or fratricidal war. What are the political consequences and, above all, economic losses that Bulgaria is suffering because of this situation?

[Zhelev] Unfortunately, Bulgaria has had the bad luck of being the country that is most affected by an embargo for the second time. Calculated on a per capita basis, already during the war against Iraq we were affected most strongly by the embargo. We lost more than $3 billion, which is terrible for a economy that is close to being clinically dead anyway. We need every dollar. Unfortunately, we occupy place number 112 on the "list" of the "Committee for Sanctions and Compensations," even though we have suffered most per inhabitant.

Now we are experiencing a similar situation in Serbia's shadow because Serbia is our door to the West. Because of the embargo, Bulgaria is simply cut off from normal foreign trade relations, which were primarily conducted via Serbia. Attempts to look for a way out via Romania have not been successful. There were enormous truck jams, which had to wait for days until they were permitted to cross the border to Romania. At the moment, there are projects to build the Vidin-Calafat bridge, the second bridge across the Danube, more quickly. However, building a bridge across such a large river cannot be done so quickly.

[Oschlies] Do you have international support for this project?

[Zhelev] Yes, we have international support for that, but all this takes some time. Attempts to compensate with ferries were hardly successful, so we were recently forced to ask the embargo powers for some sort of "corridor" through Serbia through which protected convoys of our trucks can go to the West.

[Oschlies] How high are your losses? German newspapers speak of more than $2 billion.

[Zhelev] I cannot even tell you the exact figures. Recently the losses we have already suffered were estimated at about $1.5 billion. In the meantime, they probably add up to more than $2 billion because we have suffered high losses in revenues for early vegetables, meat, etc.—revenues on which we counted.

[Oschlies] What else will be done in the future? There are also plans to build new highways and railroad tracks between Bulgaria, Greece, and Macedonia.

[Zhelev] These are further attempts to receive compensation for the fact that Serbia is a closed door to the West. Basically, these are older projects, which, however, gain special significance now—because of the situation in which we find ourselves as a result of the embargo. The project was not initiated by Greece but by Turkey: a road from Istanbul to Sofia to Skopje and to Tirana and from there to Italy. An optical-fiber cable project has almost been concluded, which will modernize and expand communications. The railroad project is also taking specific shape because it is simpler; it involves only tracks of 30-40 km, which can be built relatively easily. It will get difficult, however, as soon as we reach mountainous areas.

[Oschlies] When one talks about Bulgaria in the West, the word "Kozloduy" comes up at least by the third sentence. Please, tell me something about the safety standards of the Bulgarian nuclear power plant in Kozloduy on the Danube.

[Zhelev] I think that they are satisfactory. This is also the view of the experts, who have come to us from the various European institutions. Modernization is under way and additional safety installations have been made so that we now have a stable safety situation. In addition, we have put safeguards in a wide circle around the facility so that there are no diversions [Diversionen] of any kind. After all, in the Balkans there we have the well-known events, and there can always be a military provocation; with a view to that, we have taken additional security measures on the ground and in the air.

[Oschlies] When the German president visited Bulgaria in the autumn of 1988, he spoke of a "rediscovery of an old friendship." Probably only the Germans have to constantly "rediscover" this old friendship; the Bulgarians are always aware of it. However, what are the current German-Bulgarian relations like in general? What does Bulgaria expect from Germany with justification?

[Zhelev] I probably do not need to point out that the relations between Bulgaria and Germany have a long tradition. After the liberation from the Ottoman Empire (in 1878), Bulgaria developed as a modern state mainly under Germany's influence: Our experts were trained in Germany, German technology was brought to Bulgaria. During the first half of our century, Germany had a particularly firm position here, and German was the most popular foreign language in our country. Of course, after World War II things changed because within the framework of CEMA and through the cooperation among the parties, we were primarily oriented toward the "so-called GDR."

We did not have the same relations with Germany that we would have had under different circumstances and which we are hoping for in the future. We had mainly economic and trade relations with the FRG. Following the changes of 1989 and German reunification, very promising opportunities are opening up in my view, not only for reestablishing the traditional relations but also for new forms of dealing with the strongest economic power on our continent.

After 1989, we had rather great expectations on Germany, but Germany simply had too many problems with the eastern parts of its country and had to pay billions to cope with the problems there—the same ones that we are also presently going through. However, thanks to the gigantic potential of the FRG, they come to grips with these problems much faster. Today we simply have to think more seriously about what we actually want from Germany—not so much financial aid (not to speak of humanitarian aid), which we do need, but we rather want investments of any kind.

I think that Bulgaria will be a good partner of Germany: In our country, there are all legal preconditions for that, a bilateral treaty was signed between the two countries, the Hermes company has signed an agreement as the state guarantor of private investments. I think that now concrete deeds should follow. There is still a small barrier, but that will hopefully be overcome soon—the settlement of our foreign debts. They are probably still hindering the Western banks and, above all, the German creditors, but as soon as one or the other large German company—"Siemens" or similar companies—gains a foot-hold here, others will probably follow. We are certain that they will neither be disappointed nor suffer losses.

[Oschlies] One last question (which is meant more seriously than it may sound). If a good fairy were to come right now and granted you a wish, what would you wish for?

[Zhelev] A good fairy usually grants three wishes....

[Oschlies] Okay, you have three wishes!

[Zhelev] If the good fairy comes, it should please settle our foreign debts in the manner most acceptable for the country. My second wish is that everything possible will be done so that Bulgaria will be accepted into the EC. And the third wish: also in NATO!

Ministry Plan for Goods Transit Through FRY

AU0508181793 Sofia BTA in English 1702 GMT 5 Aug 93

[Text] Sofia, August 5 (BTA)—The Bulgarian Ministry of Foreign Affairs studied the motives of the UN Sanctions Committee refusal to allow the transit passage of some Bulgarian goods via the former Yugoslavia and Bulgaria sent a new working version to Brussels, Deputy Foreign Minister Todor Churov told a briefing today.

The new project sets out ways of exercising efficient control over the transit passage of goods, at the same time Bulgaria is prepared to consider alternative versions for resolving the problem, Mr. Churov said.

In his view, if what Bulgaria desires is given a general interpretation, it can be expected that Bulgaria's export will be facilitated.

The Bulgarian side will also propose measures for control over the transit traffic and should any doubts about some sanctions busting arise, Bulgaria undertakes to study them and admit it is helpless to cope if the doubts are confirmed, the deputy foreign minister said. Bulgaria desires to observe the sanctions but financially, it is not in position to, he added. Bulgaria insists on receiving its due under the scheme of control and restrictions on the former Yugoslavia adopted within the framework of UN Resolution 820, Mr. Churov said.

In June this year the Bulgarian Government proposed the opening of a transit corridor via the former Yugoslavia.

Klaus: Wallis Affair 'Destabilizing Situation'

AU0908132593 Prague CTK in English 1457 GMT 5 Aug 93

[Text] Prague August 5 (CTK)—The Wallis affair is unfortunate and unnecessary, Czech Premier and Chairman of the Civic Democratic Party (ODS) Vaclav Klaus told a press conference today.

Klaus said that the case does not bring anything positive and it is destabilising the situation.

To play this game is an evil ideological attack on the transformation of the Czech Republic, stated Klaus. He added that it is an evil intention of the enemies of the post-November (1989, the overthrow of the communist regime) process.

Klaus criticised the media because they started to inflate the affair, with information based only on half-truths. He stressed that it was a lie that he would like to restrict their freedom and appealed to the journalists to increase their individual responsibility.

He called the news that the ODS had striven to establish its own intelligence service absolute nonsense.

Petr Cermak, the ODS deputy chairman and former federal minister of interior, declared that Harvard Capital and Investment [HCC] Chairman Viktor Kozeny was neither a member nor sponsor of the ODS.

Cermak denied any contacts in terms of information, work and financing with Kozeny. He stated that their contacts involved only one-hour squash games.

Cermak stated that he had never seen any compromising documents about politicians. Immediately after Kozeny told him that he had been blackmailed by Wallis, Cermak informed the Prosecutor's Office, director of the Federal Security and Information Service and Czech Minister of the Interior.

Then Wallis was apprehended and the documents he (Cermak) saw concerned only the HCC.

Klaus considers the possibility of Kozeny buying information of this sort to be sci-fi and absurd.

Asked whether Stanislav Devaty, the director of the Security and Information Service (BIS), informed him on Wednesday [4 August] that in January 1992 a file on weaknesses of politicians had been opened, Klaus answered that not a single word was said about it.

Klaus denied the allegation that he was contemplating handing over the position of coordinator of the Czech secret service to Igor Nemec, current head of the Government Office.

KSCM Chairman Comments on Scandals, Society

AU0908133193 Prague CTK in English 1234 GMT 5 Aug 93

[Text] Prague August 5 (CTK)—Current scandals such as the Wallis-Kozeny affair are only diverting attention from a slew of others and testify to the rotten condition Czech society finds itself in, Communist Party (KSCM) Chairman Miroslav Grebenicek told journalists today.

Grebenicek said he had in mind specifically the scandals surrounding privatisation and the management of the National Property Fund.

The system coming into being here still does not guarantee either economic prosperity or a properly functioning democracy. The affairs show how a new ruling class is forming which often does not even respect its own laws, Grebenicek said.

He said that the leading sign of the creation of new property relations is, besides the ineffectiveness of the state security apparatus, the rise in crime which, according to official statistics, has tripled since 1988.

Controlling privatisation is the way out, he said. Corrections to the privatisation process being made by the Civic Democratic Party (ODS) and Civic Democratic Alliance (ODA) are coming too late and running into opposition even within their own ranks.

Macedonia Urges Recognition by Czech Republic

LD0808163293 Prague CTK in English 1618 GMT 8 Aug 93

[Text] Sofia, August 8 (CTK)—Macedonian political leadership made clear today that it was annoyed by the hesitation of the Czech Republic to recognise this former Yugoslav republic.

Do not hesitate so that you are the last in Europe, Risto Nikovski, deputy foreign minister of Macedonia, told CTK today.

He pointed out that nine of the twelve members of the European Community had recognised Macedonia.

Macedonian Foreign Minister Stevo Crvenkovski expressed the hope that the two countries would renew the previous level of economic and political cooperation which had been reduced after the dissolution of Czechoslovakia and Yugoslavia to a minimum.

We still consider the Czech Republic an important partner, added Crvenkovski.

The Czech Republic has not given any important signs that it would like to push forward mutual relations. However, Skopje considers Czech recognition of Macedonian passports and the decision not to impose visa requirements for Macedonian nationals to be a positive step, said Nikovski.

We would like to host some Czech politicians as soon as possible here, Nikovski noted.

Foreign Ministry Official Comments

LD1008095793 Prague CTK in English 0922 GMT 10 Aug 93

[Text] Prague, August 10 (CTK)—In view of the danger of a widening crisis in the Balkans, the Czech Republic is considering the question of diplomatic recognition of the Former Yugoslav Republic of Macedonia, Foreign Ministry press spokeswoman Lucie Pilipova has told CTK.

She pointed out that the Czech Republic had been one of the co-authors of a UN Security Council resolution recommending that Macedonia be accepted as a member of the international organisation under the provisional name the Former Yugoslav Republic of Macedonia. The Security Council passed the resolution April 8.

She added that the ministry was following very closely developments between Macedonia and Greece and praised the fact that they had agreed to resolve the problems between them through negotiations in cooperation with the UN.

Greece and Macedonia have primarily been at odds over the national flag and the use of Macedonia as the official name of the former Yugoslav Republic. Macedonia is also the name of a northern province of Greece.

We believe that both sides are showing sufficient will in the arbitration process to find a mutually acceptable solution, and that the discussions in New York will conclude successfully, Pilipova said.

She added that the Czech Republic already had diplomatic relations with Macedonia in several spheres, and that the two have been traditional trading partners.

Finance Minister Announces Budget Surplus

LD0908151693 Prague Stanice Praha Radio Network in Czech 1030 GMT 9 Aug 93

[Text] Minister of Finance Ivan Kocarnik announced today that toward the end of July the state budget indicated a 5.6 billion-koruna [Kc] surplus. Marie Ruzickova has more details.

[Ruzickova] Toward the end of July the budget revenue was almost Kc205 billion, which is roughly 60 percent of the planned annual amount. Expenditure was less than Kc200 billion, which is 58.2 per cent of the annual amount.

As Minister Kocarnik stated, the budget results were also affected by the balance of payments with Slovakia. Since we are in the position of a debtor in relation to the Slovak partner, and are therefore debited, the influence of the compensated balance on the budget surplus accounts for Kc2.4 billion. In other words this means that should there be no such balance on the clearing account [for outstanding payments between the Czech and the Slovak Republics], the budget would show a smaller surplus.

Minister Kocarnik further stated that the principles of financial policy are being observed. The public budgets are balanced. Local budgets should close with a slight surplus and the state budget should be balanced at the end of the year. As far as the final annual expectation of macro-economic results is concerned, it must be admitted that a 1 percent decline of the GDP in the first half of this year is expected. The increase in GDP for the whole of 1993 will be between 0 and 1 percent. The original estimate of the government was for a 1 to 3 percent growth. Kocarnik explained this large discrepancy between the expectation and the fact as being caused by the division of Czechoslovakia and the following decline in mutual trade, as well as by the optimistic forecasts of the IMF for the recovery of Western economies, which were included into our estimates but did not materialize. On the contrary, the recession continues in Western Europe and has a negative impact on our own economic development.

Tension Between Secret Service Branches Reported

AU0908204593 Prague MLADA FRONTA DNES in Czech 5 Aug 93 p 1

["(ina, km)"-signed report: "The Secret Services Are Also Fighting Among Themselves"]

[Text] Prague—Relations among the security services in the Czech Republic have been very tense for some time. The most serious differences are between the Security and Information Service [BIS] and the Economic Interests Protection Service [SOEZ] administrators. This information was made available to us by one of the deputies from the parliamentary Defense and Security Committee.

This report is also confirmed by the fact that the head of the SOEZ, Jan Sula, is considering submitting a complaint against the interim BIS director, Stanislav Devaty. He is unhappy about the statement made by Devaty that the Economic Interests Protection Service is an untrustworthy institution since it is headed by Jan Sula.

Jan Sula thinks his less than ideal relationship with Stanislav Devaty is having a negative influence on cooperation between the two institutions. "Admittedly, there is cooperation between the SOEZ and the counterintelligence service, but it is not functioning the way it should. Devaty's negative opinion of me certainly plays a role here," said Jan Sula. Devaty refused to comment on their differences.

Sula is reproached particularly on account of his past. Prior to November 1989, he worked in Slusovice. In 1988, he was entrusted with supervising the reconstruction of a hotel in Vietnam for the Slusovice tourism program. "I do not understand why this is being held against me. Decent people also worked in Slusovice," he said.

Devaty had also previously worked in the Slusovice agricultural combine, which was regarded as a model cooperative in the socialist era. He, of course, was dismissed from Slusovice. His forced departure has often been juxtaposed with his activity in the anti-communist opposition. However, Slusovice representatives reject this allegation.

CNB Spokesman on Foreign Currency Reserves

AU0908201693 Prague CESKY DENIK in Czech 5 Aug 93 p 1

[Robert Casensky report: "The Czech Currency Is Not at Risk"]

[Text] No blows will be inflicted on the Czech koruna at the moment. Our currency is protected from speculators by increased foreign currency reserves. The Czech National Bank [CNB] is using this ploy to protect our currency against the speculative pressures that have recently beleaguered several European Community countries. This statement was made to CESKY DENIK by CNB press spokesman Martin Svehla.

According to Svehla, the CNB is trying to increase its foreign currency reserves. At the moment, these amount to roughly $1.5 million [as published]. The overall foreign currency reserves held by Czech banks have reached $5.0 million [as published]. The Czech economy, according to Svehla, experienced speculative pressures when the Federation was breaking up. The CNB's foreign currency reserves declined significantly at that time. The Czech economy should not have to suffer on account of the exchange rate fluctuations affecting some West European currencies. The German mark comprises two-thirds and the U.S. dollar comprises one-third of the Czech koruna's currency basket, which is decisive for the currency's exchange rate. These two currencies, on which the exchange rate of our currency is dependent, are—obviously—the most stable currencies in the world at the moment.

Martin Svehla said that it does not take too large an amount to cause fluctuations in a currency's stability. First and foremost, the so-called expectations of the investors are important. If a speculator succeeds in convincing the financiers that a specific currency is heading for a crisis, this expectation is manifested in the foreign currency reserves. This leads to a situation in which imports begin to exhaust foreign currency reserves and exports cease adding new ones. Such a situation leads, inevitably, to gradual devaluation.

The same situation has manifested itself in certain European Community countries. The biggest problem—according to the financial experts—was the attempt at too close a cooperation among diverse economies. The economies of the individual countries were, according to the experts, organized differently and operated differently. This led to the gradual domination of the stronger economies, especially the German economy. Countries with weaker economies were, thus, forced to devalue and subsequently withdraw from the European Exchange Rate Mechanism. At the moment, the Czech currency is not so closely tied to any foreign currency. Therefore, our economy is not at risk from any shocks.

Trade With Hungary Reportedly Drops 'Radically'

AU0908133293 Prague CTK in English 1236 GMT 5 Aug 93

[Text] Ostrava, North Moravia August 5 (CTK)—Mutual trade between Hungary and the Czech Republic has radically dropped, announced the Hungarian ambassador to the Czech Republic, Gyorgy Varga, at a press conference in Ostrava today.

He stated that in the era of ruble accounting, up to 95 percent of the entire coke fuel consumed in Hungary had come from the Ostrava area. The Tatra motor works in Koprivnice had also supplied a major portion of Hungary's freight vehicles and spare parts. From Hungary, the Czech Republic had mainly imported foodstuffs.

Mutual trade is almost at a standstill now, he stated and attributed the situation to the drop in industrial production and the financing difficulties in both countries. Therefore, approximately one-third of the present trade between Hungarians and Czechs is being done through Austrian firms, he added.

Today's official visit to Ostrava and his meetings with politicians, businessmen and representatives from the Czech Association of Hungarians there is part of Hungary's goal to revive contacts between the two lands.

Jiri Petras, speaker for Ostrava Municipal Authorities, told reporters that 1,035 Hungarian nationals lived in the Moravian city.

Banks Facing Shortage of Slovak Korunas

AU0908133093 Prague CTK in English 1009 GMT 5 Aug 93

[Text] Prague August 5 (CTK)—Czech banks and exchange offices suffer from an on-going shortage of Slovak crowns [SOK], the independent daily MLADA FRONTA DNES writes today.

They obtain Slovak crowns mostly only when they buy them from Slovak tourists, the daily added. The money is sold again in a short while because there are apparently many more people interested in buying Slovak crowns than those who are selling.

After the currency separation, national banks of both republics exchanged 200 million crowns (6.7 million USD) worth of both currencies. This was supposed to allow commercial banks in the Czech Republic to start exchange activities.

In Slovakia, banks bought all the Czech crowns from the national bank there while in the Czech Republic more than 170 million SOK (almost 6 million USD) remained unused.

Martin Svehla, Czech National Bank's (CNB) spokesman, told the daily that the Slovak crowns have recently been transferred back to Slovakia due to lack of interest from the side of commercial banks. CNB's possibilities to provide a sufficient quantity of Slovak currency for Czech nationals are therefore basically exhausted.

The higher demand for the Slovak currency should theoretically push its exchange rate up, according to Svehla. Banks evidently do not trust the unstable exchange rates between the two currencies, however. That is probably the reason why they are not trading Slovak crowns much between themselves, he concluded.

Statistical Office Issues Report on Food Prices

AU0608194193 Prague HOSPODARSKE NOVINY in Czech 5 Aug 93 p 1

[CTK report: "Foodstuffs According to the Statistics"]

[Text] Consumer prices for foodstuffs in the Czech Republic increased by 17.7 percent from January to June compared to the same period last year. This information is contained in a report published yesterday by the Czech Statistical Office. The rise in prices for meat and meat products was 13.5 percent; for milk and milk products it was 28.4 percent; and for egg and egg products it was 13.3 percent. Prices for flour, confectionery, and pasta products increased by an average of 29.1 percent. There has been an obvious decline in the consumer prices for meat and meat products since the beginning of the year. For example, the average price for shoulder steak in January was 68.12 korunas per kilo, while in June it was 62.86 korunas per kilo.

Police Claim StB Mafia in East Bohemia

AU0908132993 Prague CTK in English 0633 GMT 5 Aug 93

[Text] Prague August 5 (CTK)—Former political party functionaries reinforced by former StB [State Security] agents are active in a business mafia that has arisen in eastern Bohemia, Hradec Kralove Police Spokesman Jan Horsky said yesterday.

Horsky told CTK he believed this mafia was behind recent attacks on the leadership of the Czech Police. On Tuesday [3 August], a man identified only as Jan Z. alleged on Czech Television that high officials of the Interior Ministry and Czech Police were involved in a deal to buy rum tax-free for export but then sell it within the country, thereby cheating the state of millions of crowns in revenue.

Jan Z. also claimed that employees of the Czech Prosecutor General's Office, along with police and ministry officials, were involved in the case of Otakar Kracik, a former judge and deputy director of the Office of Investigation. Kracik has been accused of accepting bribes and falsifying customs documents to aid in tax fraud amounting to some 50 million crowns (1.7 million USD). Jan Z.'s face was obscured and speech masked during his television appearance.

Horsky said he believed Jan Z. was in fact Jan Zikmund, a former StB (communist-era secret police—Ed.) agent and current witness in the Kracik case.

The entire affair, Horsky noted, was coming to light precisely at a time when the president of the Czech Police was making changes which would discomfit certain still influential people.

They are exploiting the fact that I am a friend of Otakar Kracik and know a number of high officials of the Interior Ministry. My 'dead body' would then clear the way for direct attacks on Police President Stanislav Novotny and other high ministry officials, Horsky said.

Meciar Interviewed on Talks With SNS

LD0608184393 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 6 Aug 93

[Interview with Prime Minister Vladimir Meciar by correspondent Michal Berko; place and date not given—recorded]

[Excerpts] [Passage omitted] [Berko] I would like to switch to the political aspects of privatization. What is the impact on the political talks with the Slovak National Party [SNS]? The central council gave SNS Chairman Ludovit Cernak its vote of confidence. Is he then the person who should continue to negotiate a coalition with you? But you have rejected him. Fresh statements made by SNS officials do not signal Mr. Cernak's departure from the new coalition talks, should these take place. If he comes to the talks, will you accept him?

[Meciar] And will there be talks? That is the question. Certain things have happened. The deluge of words released via the media in explanation of a deed committed not by myself, but by Cernak, cannot drown the truth. We sat at the table, we witnessed certain things, and we heard something. That fact can be denied only by someone who was sitting at that table. [passage omitted]

I do not think that four or five people represent the whole party. I have many personal friends in the SNS, people who are devoted patriots, both in heart and mind, people who supported us and helped us, and that is why we do not intend to build up a dispute between the Movement for a Democratic Slovakia [HZDS] and the SNS. But the SNS did not explain satisfactorily the deed of its chairman, and that is why we did not return to the negotiation table. We must wait and see whether they start seeing the light and find their bearings in analyzing practical issues, and stop making unpremeditated utterances [vrhat slova].

I have received a personal letter from Mr. Cernak. I do not want to reveal its contents because it is personal. But this proves that Mr. Cernak has not understood anything. He will have to make his own conclusions, and his party will have to decide with whom to hold talks and how.

[Berko] Can I then take your words as confirmation that coalition talks have for the time-being ended in deadlock?

[Meciar] Deadlock? Maybe yes. However, I would not like to use the word ended. The answers to the issues raised by our party, i.e. the HZDS, have not been given. We cannot be driven to the wall by propaganda, nor by rambunctious pressure during radio or television appearances. The truth is obvious, it cannot be circumvented. [passage omitted]

[Berko] So you are not planning any changes in your cabinet in the coming weeks or months?

[Meciar] Any change would have to have a rational base. It is logically necessary to fill the vacant ministerial posts. It is possible also to consider the establishment of one ministerial post without portfolio. It is necessary to fill the post of deputy prime minister for economic affairs. I know the names. I spoke about them with the president, but I asked him to approve all of them en bloc. I hope we will be able to agree on this when the president returns from his holiday.

[Berko] Thank you, Prime Minister for the interview.

[Meciar] Thank you, too.

HZDS Does Not Consider Talks With SNS 'Finished'

AU1008122193 Prague CTK in English 1607 GMT 6 Aug 93

[Text] Kosice, East Slovakia August 6 (CTK)—The Movement For a Democratic Slovakia (HZDS) does not consider the talks with the Slovak National Party (SNS) on the formation of a coalition to be finished, HZDS Deputy Chairman Roman Zelenay told journalists today.

The talks were suspended on 31 July.

He claimed the HZDS only had a few reservations and had acquainted the SNS with them. If the reasons for these reservations disappear I see no reason not to continue negotiations, and it seems we probably will.

While in eastern Slovakia Zelenay, who is also state secretary for the Ministry of Culture, spoke to the mayors of Hungarian communities in the south. He claimed they in no way demanded bilingual Slovak-Hungarian information signs and community names, adding that co-existence in ethnically mixed communities is more harmonious than some Hungarian parties in Slovakia assert.

The Slovak Transport Ministry ordered the removal of bilingual signs on August 3.

He had talks additionally with representatives of the Christian church and the Jewish community about the restitution of property seized under the previous regime, and spoke to representatives of regional HZDS organisations about the current political situation and claimed to find them better informed than SNS organisations.

Meciar: Death Penalty Will Not Solve Crime Problem

AU0608133393 Prague CTK in English 1630 GMT 4 Aug 93

[Text] Bratislava August 4 (CTK)—The introduction of the death penalty will not fundamentally solve the phenomenon of crime, Premier Vladimir Meciar declared today in answer to recent suggestions that the Slovak National Party (SNS) should put forward such a motion.

He said that the possibility of the citizens deciding the matter by a referendum was discussed for two hours when the Constitution was being drawn up, before it was rejected.

The affair surrounding Harvard Capital and Consulting firm is in his view nothing new. We warned leading Czech politicians several times about what was going on in the Czech lands. And before the elections we warned also of spying on individuals, because it was happening in Slovakia too. I myself was often an object of interest, Meciar announced, adding that since the elections nothing had changed.

Hungarian Movement Chairman Letter to Meciar

LD0908180893 Bratislava Slovak Radio Network in Hungarian 1500 GMT 9 Aug 93

[Text] Bela Bugr, chairman of the Hungarian Christian Democratic Movement, sent an open letter today to Prime Minister Vladimir Meciar, in which, among other things he formulated the following:

Through admittance to the Council of Europe, Slovakia got an opportunity to prove that it observes the democratic principles and it wishes to be part of the European institutions. The movement gave a positive assessment of the law on surname and Christian names adopted by the parliament, and it hopes that its reference back to the parliament will not imply that the conditions that had been adopted will get worse. They have also firmly believed that the further so-called problem, the bilingual place names in the settlements will be resolved in Slovakia, in line with the Council of Europe membership.

The battle over the place-name signs that has been going on for a while, shows that the minister of transport is unable to resolve this issue according to the recommendations of the Council of Europe. Not only has the removal of the place-name signs upset public opinion in the areas concerned, but attention has been diverted from other, much more significant issues, and at the same time Slovakia's reputation will be questionable abroad. It is not in our interest either that such views be publicized in the world. That is why we request that the prime minister would draw the conclusion vis-a-vis Transport Minister Hofbauer, who rather than resolving the real issues in his field, is inciting the conflicts in areas with mixed ethnic groups.

World Bank Grants Loan for Telecommunications

AU1008053593 Bratislava HOSPODARSKE NOVINY in Slovak 6 Aug 93 p 1

[TA SR report: "Millions For Modernization"]

[Text] Washington—The World Bank has granted Slovakia a $55 million loan to modernize its telecommunications network. The entire project will cost $231.5 million, and will be partly financed by the European Investment Bank with a $55.3 million loan and by the European Bank for Reconstruction and Development with a $55 million loan, states the Washington magazine WORLD BANK. This is the first loan the World Bank has granted to the independent Slovakia.

Introduction of New Bank Notes Planned

LD0608181693 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 6 Aug 93

[Text] New Slovak bank notes in the nominal value of 50 korunas will be put into circulation on 30 August, and new 20-koruna bank notes at the end of September. Other new bank notes are expected to be put into circulation during the course of this year. The stamped Czechoslovak 50-koruna bank notes will cease to be valid on 31 October. This information was granted by the National Bank of Slovakia spokesman Juraj Matejovsky.

Hungarian Cargo Vessels Stopped in Serbia

LD0908161893 Budapest MTI in English 1530 GMT 9 Aug 93

[Text] Budapest, August 9 (MTI)—Three Hungarian Mahart barges have been held up on the Serbian stretch of the Danube since the weekend, as Serbian authorities have prohibited the further progress of vehicles carrying iron ore from Ukraine to Hungary, Mahart Deputy General Director Gyorgy Jakab told MTI on Monday.

Jakab said the Ministry of Environmental Protection of the Republic of Serbia ordered a compulsory environmental cargo check. The authorities took samples from the cargo, but it is unprecedented that the examination should be taking so long.

The Adony ship must stay in Rezdan, the Vac and Csepel ships in Veliko Gradist, until the examination results are issued.

Mahart protested to Serbia of a breach of the Belgrade agreement. Hungary's UN mission in New York has briefed the leader of the UN Sanctions Committee about the case, and the leader promised to immediately contact the Yugoslav charge d'affaires.

Central Bank Official Views Indebtedness

AU1008062193 Budapest MAGYAR NEMZET in Hungarian 6 Aug 93 p 9

[Interview with Frigyes Harshegyi, deputy chairman of the Hungarian National Bank, by Istvan Varga; place and date not given: "The Central Bank's Warning—We Cannot Bear More Indebtedness"]

[Text] [Varga] The foreign trade deficit approached $1.5 billion in the first months of the year and, at the moment, the inflow of foreign capital is not enough to counterbalance this. Can the country's foreign financial balance become endangered if the export performance does not improve?

[Harshegyi] The current payment balance is basically the result of the flow of foreign trade and services. Shares and transfers also appear within this. In 1992, interest obligations on state and private loans were around $1.2 billion. This is the amount we had to produce to balance the payments. In recent years, the extra foreign currency earnings of services—mainly tourism—largely counterbalanced the interest obligations. Therefore, if foreign trade is balanced, then the current payment balance is largely in order. Long-term experience shows that the payment deficit is more or less equal to the foreign trade balance deficit.

[Varga] Does this formula also apply to the present situation?

[Harshegyi] The foreign trade deficit is approximately $1.5 billion, which is considered to be a critical level. In such cases, the central bank could decide to reduce the foreign currency reserves, but the Hungarian National Bank [MNB] did the opposite instead. At the end of 1992, the amount of reserves was $4.3 billion, which has increased to $5 billion by now. It is not advisable to reduce this amount so that, because of the elections or for other reasons, we will not need to take on rapid and big loans.

[Varga] What can be the reasons for the deterioration of the foreign trade balance or the current payment balance?

[Harshegyi] Circumstances have been rather unfavorable: It is enough to remember the consequences of the drought or the sanctions against the little Yugoslavia. In the view of the central bank, this is the main reason for the deterioration of the foreign trade balance. However, it is certain that the domestic excess consumption has also played a role in this. However, this can be caught. In fact, it is necessary to stop the increase of consumption. This is what we tried to do when we increased the interest rates. In the view of the MNB, the foreign trade situation will improve in the second half of the year and this way, together with the foreign capital inflow, the country will keep the level of its foreign currency position. If $1.5 billion of foreign working capital flows into the country again this year, then drastic measures will not be needed. However, imports will definitely have to be curbed because we cannot go any further than we have already come.

[Varga] Is indebtedness always a problem?

[Harshegyi] The country cannot afford to allow a significant increase of net indebtedness. This would only be justified if the signs of economic growth emerged.

[Varga] On the basis of statistical data, do we still have to wait for growth?

[Harshegyi] The statistical system is so inaccurate that guessing is a complete waste of time. The numbers are so uncertain that there is no point in saying that the gross domestic product [GDP] has decreased by such and such a percentage. From the MNB's point of view, it makes no difference whether the GDP has decreased by 1, 2, or 3 percent. The point is that the level of indebtedness must not be increased if the gross domestic production is decreasing.

[Varga] What has changed compared to the past? It seemed that the country was over the foreign balance problems?

[Harshegyi] The population's savings have decreased. Therefore, the money from this is used for increased consumption. It is possible that investments are in the background whose effects will only be felt in some years' time, and this could certainly be seen as a positive development. However, if what happened was that the increased imports was a result of sudden increase in the purchase of consumer goods then this is a negative process.

[Varga] It is mainly the budget, or more precisely, the state finances that are responsible for this....

[Harshegyi] The rate of savings was very high in 1992; therefore, financing the budget deficit was not a problem. This money was not missing from the economy either because, due to the extensive stagnation, the banking system would not have been able to place its assets. However, interest rates have been reduced to such an extent this year that the level of savings has become endangered. Therefore, savings have to be forced. Due to the reduced savings, the excessive consumption by the budget has turned into increased foreign consumption. This way, it is true that the increased consumption by the budget can be blamed for the foreign trade deficit. In other words, in this case, the deficit can only be financed by further foreign loans.

[Varga] Does this mean that the country's foreign indebtedness will increase? What can the MNB do to stop this?

[Harshegyi] It warns and it raises interest rates. However, the processes have to be designed months in advance. The situation is different from the one some years ago but, unfortunately, the central bank is still partially financing deficit and the debt is growing this way.

[Varga] So, the central bank is warning the government that it must do something, otherwise there will be trouble?

[Harshegyi] Through the latest increase of interest rates, the MNB indicated that the level of interests that it had planned to go with continuous debt servicing cannot be maintained anymore. At the current level of 16-17 percent interest, it is not possible to finance the deficit or only do it through foreign indebtedness. However, I emphasize that the situation is much better now than it was three years ago. We are not forced to act in haste. We can afford to plan two or three months ahead. However, unfortunately, the 3-percent interest rate increase is not enough. I must also add that the past three years nave brought about a positive change in the country's image. This country is capable of producing as much as $3-4 billion a year. Still, if we do not do anything, our image might deteriorate.

Republic Party Announces Foreign Policy Concept

AU0908174793 Budapest MAGYAR NEMZET in Hungarian 7 Aug 93 p 7

["N.I.Zs."-signed report: "The Republic Party on Foreign Policy—Basic Agreements as Soon as Possible"]

[Text] Hungary cannot conduct talks with its neighbors from a position of assumed superiority. We do not consider border changes either expedient or acceptable; instead, a mutually acceptable international method of handling the national minority issue has to be drawn up as soon as possible, stated Andras Veer, administrative deputy chairman of the Republic Party, at a news conference where the party's foreign policy program was announced. Veer emphasized that, in their view, foreign policy can only be treated with pragmatism and, for this reason, diplomacy has to be combined with economic issues.

Describing the program, Lajos Demcsak, leader of the party's foreign affairs committee, said that there is no alternative to the EC membership; therefore, delay in membership, even one that is linked to very tough conditions, can have extremely negative consequences. As for membership in defense organizations, in Demcsak's view, Hungary should strive to fulfill the conditions of NATO membership and receive its security guarantees, and, for the time being, it must not decide between membership in NATO and the Western European Union. Among the basic principles, they emphasized that they consider it necessary to establish new relations in some areas of the world—for example, the Far East and the Middle East.

Responding to questions, the party's leaders explained that basic agreements with the neighboring countries should be signed as soon as possible because these could improve the atmosphere in the region. In this sense, the border issue could only play a secondary role. In Veer's view, the country's interests do not always coincide with those of the communities over our borders, and the parties primarily have to consider the interests of Hungarian citizens.

Over 3,700 Candidates To Run for Sejm

LD0908192693 Warsaw PAP in English 1843 GMT 9 Aug 93

[Text] Warsaw, Aug. 9—A total of 357 district lists have been registered in Poland as of Monday, including 3,723 names of candidates running for the Sejm (Lower House), head of the State Electoral Commission (PKW) Andrzej Zoll announced on Monday [9 August].

The deadline for registering district list of candidates for deputies is Tuesday midnight.

Three electoral committees have been registered to date as coalitions—the Catholic electoral committee "Fatherland," the Democratic Left Alliance and the electoral committee "Fatherland-the Polish List"—and they will have to achieve 8 per cent of the national popular vote in the elections.

The Union of Labour (UP) has registered its lists in 38 constituencies. 500 candidates will run for the Sejm on the UP ticket. The UP electoral slogans are: "let's restore hope," "equal opportunities are your chance," "the Union of Labour—new left, programme free of extremes," and "the union of labour for working people."

Meanwhile, leader of the Real Politics Union (UPR) Janusz Korwin-Mikke told a press conference on Monday that the manoeuvres of the centre-right parties might lead to the situation when the UPR will remain the only right-wing party to be elected to the Sejm. He added that a strong self-destructive instinct can be observed among the centre-right groupings.

According to the data issued by the National Election Bureau, provincial electoral commissions have registered 683 candidates for senators as of Monday. They were forwarded by 20 political parties, 14 social and political organizations, 5 electoral coalitions and 109 voters committees.

Among political parties the largest number of candidates for senators was forwarded by the Polish Peasant Party (PSL—66 in 49 provinces) and the Democratic Union (UD—61 in 47 provinces).

Christian-National Union Wants 'Law-Governed' State

AU0908204093 Warsaw ZYCIE WARSZAWY in Polish 5 Aug 93 p 4

[Report by Igor Zalewski: "Has the ZChN Become 'Civilized'?"]

[Excerpts] The Christian-National Union [ZChN] has prepared its election program. Members of the government coalition, as well as right-wing politicians in the opposition, claim that the ZChN is not the party it used to be. Some say it has changed for the worse, others say it has changed for the better. "We remain faithful to ourselves," say ZChN leaders. [passage omitted]

The objective that the ZChN has set for itself in its election program is to establish a "strong and law-governed Poland, a country with a moral order. The foundations of such a Poland should be provided by Christian values, which have shaped the Polish identity and culture for over 1,000 years."

The ZChN resolutely opposes dividing the country into autonomous regions, claiming that this could endanger Poland's sovereignty. The ZChN is also in favor of decommunization, personnel screening, and depriving former employees of the police services of the People's Republic of their pension privileges.

The ZChN considers unemployment to be the main economic woe. The state should see to it that economic units outside the state sector are assured of good economic conditions.

PSL Election Official Outlines Strategy

WS0908112093 Warsaw RZECZPOSPOLITA in Polish 5 Aug 93 p 3

[Interview with Professor Aleksander Luczak, plenipotentiary of PSL's election campaign, by Ewa Czaczkowska]

[Text] [Czaczkowska] **The PSL's [Polish Peasant Party] campaign, as you yourself said some time ago, is to be serious and joyful. But you gave up one of the joyful slogans—"It is safer with a peasant." Did it bring the wrong images to someone?**

[Luczak] No, we did not give it up. Why?

[Czaczkowska] **I can see only two slogans: "Poland needs a good manager," and "They feed, they defend, they manage."**

[Luczak] That depends on the need, on where or to whom we speak. If we speak to the press or television, we have serious slogans. But there will also be other forms of campaigning, folk-art performances for instance, where "joyful" slogans will appear.

[Czaczkowska] **The liberals endorse American-style campaigning, while you endorse fair-style campaigning ....**

[Luczak] .... Polish style.

[Czaczkowska] **What do you mean?**

[Luczak] We think that a campaign should influence Polish people's awareness and behavior, it should have a Polish atmosphere surrounding it. That is why we want to use folk-art elements in the campaign, in a language which is communicative to our recipients. The "philosophical" meaning of the campaign is about showing values associated with our economy, with the development of the national output, with security of the country in terms of food availability.

[Czaczkowska] **But will the "Polish style" of the Kierdziolek village administrator or of the characters of "W Jezioranach" be communicative for young recipients? Personally, I doubt whether there are Ofierski's fans among people of Chairman Pawlak's age.**

[Luczak] Young people do not always have to dance to English-language songs. I think that the Americanization of our life deserves that we think about it at some length. But you are right, you cannot make everyone happy. Just like the liberals' campaign, some criticize it, others like it — it is the same case with our campaign. But we have different forms: there is Kierdziolek, but there will also be serious meetings where we will demonstrate our program and suggestions for solving economic/social problems.

[Czaczkowska] **What does a fair look like during an election campaign?**

[Luczak] I think that journalists became too attached to the word "fair". This is a key word. We want to conduct our campaign in a dynamic way, among the people, in places where there are many people from different environments, often accidentally, and not in places where they come to an election meeting after having read an announcement. Such meetings most often have "professional listeners and questioners." We want to reach those who "wander around the street," we want to reach them in different situations.

[Czaczkowska] **In what situations?**

[Luczak] During harvest home festivals, anniversaries, festivals related to honey harvests for instance — there is such a feast in the Voivodship of Ostroleka — during agricultural exhibitions, athletic events, agricultural competitions ....

[Czaczkowska] **In a word, you want to conduct the campaign at a low cost, using what others are organizing.**

[Luczak] Exactly. We think a campaign can be carried out in an inexpensive manner. Because the state or the parties should not spend huge amounts of money for an action like elections. We want votes for PSL to be the least expensive votes, as in the previous campaign. We intend to go ahead with the campaign in an inexpensive manner, and in an ecological one, too. We do not want to litter Poland with piles of shredded paper that would hang on fences for many years. Our goal is the least paper, the most contact with the people.

[Czaczkowska] **But you do not succeed in that in Warsaw. I personally saw posters with a woman candidate for PSL deputy which were spread around Grochowska Street, and not on special election boards.**

[Luczak] We do not support that. The principle is the one I described, and one exception does not break the rule.

[Czaczkowska] **How much money do you want to spend on the election campaign?**

[Luczak] I already told you. The same amount as in the previous campaign.

[Czaczkowska] **That means 2.5 billion zloties. Even when you recall the "Polish style" of campaigning, it is still very little. The [Democratic] Union speaks of 10 billion, and so do the Liberals. Doesn't the PSL appreciate the electorate or maybe it believes that the magic of Prime Minister Pawlak's 33 days is still strong?**

[Luczak] We are not charmed by slogans, the casting of a spell, or public opinion polls, because everything has a relative value. I think, however, that our contact with voters is PSL's strength both during times of normal activity and during a campaign. This nature of the PSL is also very costly, but not in financial terms. It requires a lot of time from a candidate. This fact was confirmed already in the previous elections, that whoever met the voters most frequently received the biggest number of votes. Television or radio campaigns play only an additional role. As someone said after the previous election campaign, television can only add 5 percent to someone's votes. We do not want to ignore that but we will not exaggerate it by spending money on television, either.

[Czaczkowska] **Jozef Wegrzyn's company will be in charge of PSL's radio and television campaign for the second time already. Is there any other company which would be in charge of the national campaign?**

[Luczak] No, we are conducting the campaign ourselves, based on our own experience.

[Czaczkowska] **Fortunately you are not trying to convince me that the type of campaigning which you decided is a consequence of the fact that you are poor.**

[Luczak] But we really are poor. Even the 2.5 billion zloties comes mainly from contributions by the people.

[Czaczkowska] **But PSL has a different kind of reputation. It is hard to believe that a party which sublets three-fourths of a building to a bank is poor.**

[Luczak] Let us not check the pockets of those who say this. Those other parties have bigger incomes. We want to rely on involvement and not on a principle that every billion zloties brings 1 percent of votes.

[Czaczkowska] **"A PSL election committee in every village" —that is yet another of your election campaign strategy solutions. Was it successful?**

[Luczak] That is the ideal situation which we want to come close to. The concept is the following: we have a double number of candidates for Parliament who were chosen in such a way that they present different options taking into account their residence, age, and environment. They are conducting a campaign for their own sake and for PSL's in those diversified environments of their own. Our members and supporters help them with that. This way our program will be "transferred" to the lowest level: the commune, the village, the farm.

[Czaczkowska] **We did not mention the urban electorate which PSL also targets. What do you have to offer to that electorate?**

[Luczak] That is a simplification. Journalists and press hostile to us — I hope it is not you — want to see us as a party of only one professional group, and one that has a position only on agricultural issues. But if you read our program carefully, you can see it concerns some all-national issues. You cannot solve agricultural problems without a revival of the whole economy, just as you cannot solve the country's problems by addressing only agriculture. Our program is for everybody, including people from cities for whom issues of for example food safety — cheap and healthy food — are fundamental issues.

[Czaczkowska] **Professor Luczak, you emphasize that PSL's program is for everybody, and that is fine, but PSL still intends to conduct the campaign mainly during harvest home festivals, honey harvests, etc., and these are the kinds of places attended by the peasantry.**

[Luczak] You are talking about issues of form. Of course we are preparing meetings with the urban population, too. These are traditional-type meetings.

[Czaczkowska] **So you mean you have nothing special for the urban population?**

[Luczak] We will not work the streets. We will arrange electoral meetings and also cultural events. Such events will take place for instance in Lublin, Opole, Wroclaw, Ostroleka, Bialystok, Konin, and also in Lancut this Sunday. For habitants of Warsaw there will be an event by the Vistula River on 28 August.

[Czaczkowska] **Who will be PSL's competitors in trying to win the village electorate?**

[Luczak] As in the previous elections, the Peasant Accord will be our competitor to some extent. That party has fought for a long time to be in a coalition with somebody, by which they showed their lack of political and program-type independence, and in the end they will run in the elections by themselves. Our competitors will also be those groups which form "The Motherland" and which also appeal to the peasant electorate, and "Self-Defense". PSL intends to maintain its electorate in villages, to enlarge it, and also to reach cities.

KLD Proposes Foreign Investment in Enterprises

LD0908182693 Warsaw PAP in English 1757 GMT 9 Aug 93

[Text] Warsaw, Aug. 9—The Liberal Democratic Congress (KLD) will attempt to introduce legislation in the new parliament facilitating the investment of foreign capital in privatised enterprises, according to Privatisation Minister Janusz Lewandowski speaking at Monday's [9 August] press conference devoted to presenting the KLD election manifesto.

The KLD is proposing a "recovery" programme of job creation based on the development of private ownership. Lewandowski said that the recent tendency to building new state enterprises in Poland contradicted this and led to a freezing of hidden unemployment and inefficiency. The KLD programme was not about hidden unemployment subsidised by the taxpayer but about the creation of viable and secure jobs.

Lewandowski thought that this could only be achieved in the private sector revealing that since the beginning of 1990 over 2 million jobs had been created.

Lewandowski added that jobs would be guaranteed in the privatisation contracts, something that was only happening in Poland because of the strength of the unions.

UP Opposes Ratification of Concordat With Vatican

LD0908173193 Warsaw PAP in English 1713 GMT 9 Aug 93

[Text] Warsaw, Aug. 9—The National Council of the Union of Labour (UP) has decided that the concordat between Poland and the Vatican "should not be ratified in its present form".

At Monday's [9 August] UP press conference former parliamentary deputy Aleksander Malachowski warned that the concordat would mark the beginning of a new "war of substitution" in which the issue would be argued over instead of more pressing ones, just as happened over the abortion question.

The UP National Council thinks that the government coalition parties signed the concordat "to gain the support of the clergy in the forthcoming elections."

The UP does not want to reject the concordat but instead thinks that it neads to be supplemented by an "additional protocol" which would guarantee a genuine separation of church and state.

Malachowski was unhappy about the concordat being signed while parliament was not in session, since it includes articles which preempt discussion on the new constitution. He thought that the new parliament was already bound for a "very serious conflict concerning the concordat."

Janiszewski Suspends Work of Agricultural Debt Fund

LD0908182293 Warsaw PAP in English 1754 GMT 9 Aug 93

[Text] Warsaw, Aug. 9—Acting Agriculture Minister Jacek Janiszewski on Monday [9 August] announced that he had suspended the operations of the Fund for Agricultural Restructuring and Debt-Rescheduling, and referred a motion to the Prosecutor's Office to examine irregularities in handling money by the fund.

According to Janiszewski, the Agriculture Ministry has been lately implementing the policy of rescheduling debts of 4,000 farmers instead of supporting Poland's 2.5 million farmers. He announced that the ministry was preparing a law on the restructuring agency which would clearly define the rules of debt-rescheduling and granting credits.

The Polish Government will regionalise the implementation of its agriculture policy, and supports the development of agricultural exchanges and farming chambers, the acting agriculture minister said.

Janiszewski added that the ministry was also finalising proposals to regulate foreign trade relations in the agricultural sphere, with close attention to be paid to the regulations governing Polish-EC trade.

Report on Coal Industry After 40 Percent Price Hikes

LD0908201293 Warsaw TVP Television First Program Network in Polish 1730 GMT 9 Aug 93

[Relayed by Warsaw TV Polonia Network in Polish]

[Text] [Announcer Malgorzata Szelewicka] Contrary to the announcement by Deputy Prime Minister Henryk Goryszewski, the coal companies have increased the price of coal for industry by around 40 percent from 1 August. The chairmen of the coal companies claim that they have not received an official letter regarding Deputy Prime Minister Goryszewski having promised to suspend the increases of coal prices until September. They feel that the deferral of the increases until September was impossible. Up until now, every mine is subsidizing every metric ton of coal extracted on average by 125,000 zlotys.

[Correspondent Ewa Chojnacka] Some of the metallurgical works, such as for instance Huta Sendzimira or Huta Czestochowa, are already buying the more expensive coal. The coal companies are so debt-ridden that they often do not pay taxes, and they even lack the money to pay wages. The banks are refusing them credits. The indebtedness of the companies is growing at a rate of over 1 billion zlotys per month. The latest increase will not bring them any profits and will only even out the losses for this year.

[Tadeusz Demel, chairman of the Katowice Coal Company, identified by caption] Increases in the price of coal are necessary, since the financial situation of the mines at the moment is, I would even say, tragic.

[Chojnacka] Since 1992, the state has not subsidized mining. On the other hand, mining is being supported by the firms that work for it [i.e., as contractors and subcontractors]. Having no money, the mines are not paying for their services. According to the view of the chairmen of the companies, the increase of coal prices ought not to cause an increase in prices in other sectors of the economy. Its result might be a small fall of profits in power generation. Currently, the profit of power generation enterprises comes to 15 percent. After the increase, it will fall to 12 percent. The chairmen of the concerns do not however, guarantee that the goods and services of the enterprises that make use of coal will not rise, and thus inter alia those of the electrothermal power stations, cement works, and sugar refineries. The profits of coal exporters will also be lower.

'King' of Drug Traffickers Arrested in Katowice

LD0908173493 Warsaw TVP Television First Program Network in Polish 1500 GMT 9 Aug 93

[Relayed by Warsaw TV Polonia Network in Polish]

[Text] The king of drug traffickers has been arrested in Katowice. Zbigniew T. [name withdrawn by television] was the leader of a group of more than a dozen people dealing with the production and distribution of "hera" [slang word for heroin]. During the last six months the Silesian king of Polish heroin produced 6,000 cubic centimeters of the drug. He admitted that profits obtained from the production came to 120,000,000 zloty. The police have established that Zbigniew T. has pushed more than a thousand people into drug addiction.

Cosma: New Agreement 'Might' End Miners' Strike

AU0908153693 Bucharest ROMPRES in English 1445 GMT 9 Aug 93

[Text] Bucharest ROMPRES, 9/8/1993—The strikers' leader proposes new pay brackets that might be agreed on in principle by the government.

On Monday, the seventh day of the Jiu Valley strike, Miron Cosma, chairman of the Mining TU Confederation of Romania, told strikers gathered in front of the Mineral Coal Public Corporation headquarters, that, together with the other union leaders, he had decided to advance a new proposal for pay brackets to the executive. He said the solution was yet another step in the TU action and consisted of evening the pay of the underground and above-ground miners in the Jiu Valley coalfield, no matter their workplace, but inside the previously proposed average pay.

The strikers were told that the proposals to be subsequently advanced to the government for endorsement would be discussed at the meeting of the Coordinating Council of the Mining TU League this afternoon.

Miron Cosma said that there was an agreement on principle for the new solution on the part of the government which, if endorsed, might put an end to the labour conflict started on August 2.

Prime Minister Interviewed

AU0908190593 Bucharest AZI in Romanian 6 Aug 93 p 8

[Interview with Prime Minister Nicolae Vacaroiu, by unidentified reporter; place and date not given: "Mr. Cosma's Proposals Look Good on Paper"]

[Text] [Reporter] What solutions does the government envisage to settle the conflict in the Jiu Valley while maintaining the position it has already adopted?

[Vacaroiu] Before we go to the Jiu Valley and hold talks with the miners, first the representatives of the Employer's Association should come to us, to the government. Let us see what kind of calculations they have made, what the possible salary scales are, and what level they have reached. I think that it is normal that it should happen like this, because when you go there to talk to people, you are already familiar with the situation.

[Reporter] You have been informed that certain foreign television stations are carrying allegations of trouble now, in 1993, in the Jiu Valley.

[Vacaroiu] This is true. Unfortunately, foreign television stations showed footage of a miners' strike in Russia, presenting it as if it were in Romania, and they also showed a number of images of conflicts that took place in our country in 1990 and 1991. I believe that these things being currently shown present a false image of Romania. According to the information we have received, the strike in Jiu Valley is taking place under normal conditions, without any violence, and the miners themselves are keeping order there.

[Reporter] How long can this situation go on?

[Vacaroiu] The situation will last until the miners understand that there is no way that the salaries suggested by them can be accepted. Mr. Cosma has made a number of proposals on television with certain acceptable salary levels that look good on paper. There is only one thing missing: He did not want to refer to base salaries, without bonuses. With bonuses, the salaries are over 250,000 lei. And this is not a real level. They can fall only within the salary limits that were jointly established, that is 166,000 lei, which takes into consideration their working conditions and all the bonuses, and, at the same time, it is correlated with the bonuses of other types of employees, including the miners in Baia Mare.

The solution is one that is proper for a state of law, namely that the Employers' Association should respect the rules. They are subordinated to the minister of industries and the prime minister... They should come to us and show us what the conclusion of their examination is, what solutions were agreed upon, and then, certainly, we will inform the miners, too.

I believe that the miners in the Jiu Valley have been misinformed; they did not have a clear picture about the current possibilities of our economy. I believe that the great majority will ultimately understand the real situation and will return to work.

[Reporter] Could President Iliescu's return to Romania affect the current situation in any way, particularly regarding the government's position?

[Vacaroiu] All I can say is that I had a telephone conversation with President Iliescu during this period. He called me because he was concerned about the situation in the Jiu Valley. I presented the situation to him and he agreed with the government's viewpoint, namely that there is no way that we can accept such salary levels. If a government gives in, it would be like starting what happened in 1990, 1991, all over again, when a number of all types of workers unreasonably profited from much higher salaries than those that existed at that time in Romania.

Miners To Continue Strike

AU1008083593 Bucharest Radio Romania Network in Romanian 0400 GMT 10 Aug 93

[Text] The Jiu Valley miners are continuing their general strike. A much greater number of miners gathered in front of the headquarters of the Petrosani Pitcoal Public Corporation than the previous day, our correspondent reports.

A communique received by our editorial office last night at 0007 [2107 GMT] on behalf of the Jiu Valley miners' trade unions emphasizes as follows:

In conformity with the government communique of 8 August and following talks conducted in Bucharest with representatives of the Petrosani Pitcoal Public Corporation and the Jiu Valley Free Trade Union League, the government appreciates the contribution made by miners in this area to Romania's economic activity, recognizes the efforts made by them, and proposes—as a sole condition for the beginning of negotiations—that existing correlations in the economy be observed before beginning negotiations on the collective labor contract.

Showing responsibility for and interest in the meeting of the Administration Council of the Pitcoal Public Corporation for the purpose of beginning negotiations, observing legal provisions in establishing how the 91 billion lei approved by Romania's government for the Pitcoal Public Corporation of Romania will be spent, and in keeping with the ordinance on the rectification of the 1993 state budget, the Jiu Valley Trade Union League and the Jiu Valley miners are looking forward to actions that will prove the government's concern for improving working conditions and solving the problem of water and natural gas supplies for Petrosani municipality, the communique received by our editorial office and signed by the president of the league, Mr. Ilie Dorsan, concludes.

Iliescu Interviewed During Latin America Trip

PY0808000093 Montevideo EL PAIS in Spanish
1 Aug 93 pp 16-17

[Interview with President Ion Iliescu by unidentified reporter in the Victoria Plaza Hotel in Montevideo—date not given]

[Text] [EL PAIS] The regional and geographic situations of Romania and Uruguay are similar. Uruguay is a good entrance door to the Mercosur [Common Market of the South] as well as to the South American subregion (five countries) through the Paraguay and Parana Rivers waterway.

Romania is also a bridge between the East and the West, between central and eastern Europe. Considering this reality, is it possible to organize trade mechanisms between the two countries for our mutual benefit?

[Iliescu] We have spoken with President Lacalle and with private and official Uruguayan representatives and, precisely for the reasons you have just mentioned, we see that we share potential points of interest that go beyond mere bilateral trade. We will begin working on these points.

[EL PAIS] In the past few years Romania has been purchasing from Mato Grosso, Brazil, manganese and iron that is shipped via the Uruguayan port of Nueva Palmira to the Romanian port of Constantsa. We have free zones in our port, and we wonder whether there is any possibility of forming Uruguayan and Romanian joint ventures to, for example, install a processing plant for this dirty mineral. With a greater processing degree, couldn't this mineral then be transported to Romania at a lower cost?

[Iliescu] First of all, our geographic distance is a limiting factor. As for the Uruguayan experience with free zones, we have passed similar legislation in this field. We would like to use the Uruguayan experience in establishing organizational ties to facilitate these activities and to develop other zones on the coast of the Black Sea and along the Danube River. What you have just mentioned represents without a doubt some aspects of great interest.

Of course these issues will have to be negotiated on a multilateral field with all the countries interested in establishing these ties and bridges to, for example, establish a permanent maritime navigation line under a framework of 'joint venture,' as well as specific processing activities instead of the transshipment of minerals in order to transport them already processed to our country.

[EL PAIS] Given the Romanian experience with the Danube River waterway, is there any possibility of offering Uruguay technological assistance or advice to improve the efficiency of the port of Nueva Palmira in handling shipments, through agreements of mutual benefit?

[Iliescu] We are interested in this possibility, even for the sake of our relationship with European countries. We have raised this issue with representatives of Germany and Austria, countries that are in the center of this system, which in Europe is practically creating a new trans-European waterway going from the Black Sea up to the North Sea through a hydrotechnical system linking the Danube and Rhine Rivers from German ports. This will represent a new means of connection for the economies of all those countries located in the zone of these riverways. The use of this system, which opens the doors to the East and the West, is interesting for European countries as well as for Latin American countries. The Uruguayan ports could serve as a contact with that zone.

[EL PAIS] Uruguay is now exporting lumber to several countries of the world. Given Romania's fame for its carpentry, is there any chance of reaching an agreement to enter third countries of your area with our raw material and your know-how in carpentry?

[Iliescu] Precisely, the wood industry and carpentry is traditional in my country, and uses a very efficient technology. This is probably one of the industrial segments not affected by recession at this time, and with quite an active market. Its exports are significant.

Your proposal for cooperation agreements with other countries is undoubtedly interesting, taking into account the limited raw materials we produce. I believe this is feasible, and should be promoted. Cooperation is subject to the reciprocal interests of the European and Latin American markets.

[EL PAIS] In light of the new changes that have taken place in eastern Europe, we would like to know, Mr. President, whether the new Romanian business class and the government itself intend to open up to the world; whether Romania is willing to shift from a policy orientated towards central Europe and the traditional regionalism to an outward-looking one; and if that is the case, what is Romania's attitude toward Latin America?

[Iliescu] What you have just mentioned is one of the key tenets of our foreign policy. First, to overcome the hidebound and autarkic views that were prevalent for a time in Romanian politics and even in the economy. Hence, we are promoting an opening drive partly due to the new European situation, which is favorable to furthering relations between European countries. Second, to promote relations with all countries—and Latin America certainly occupies a special place in our priorities, and especially with Uruguay—by strengthening our cultural and commercial ties and seeking complementation whenever possible.

[EL PAIS] The president further said that it is necessary to make efforts to...

[Illiescu] ...do away with extant barriers or hurdles promoted by developed countries and which, in my view, are of no use in advancing their interests. We must therefore find the necessary mechanisms at international level to assure that the efforts made by less developed or developing countries may be instrumental in reducing the great technological, economic, and social disparities, aspects that involve a high degree of risk, and which threaten to trigger off mistrust and conflict throughout the world. Thus, I think that the problems of the world economy nowadays, and of international financial-economic mechanisms, are fundamental for the world economy to stave off sources of conflict and possible threats, and at the same time, prevent massive immigration waves from Asia and Africa to Europe and North America. Efforts at local and worldwide levels are therefore necessary to overcome some of the problems confronting our civilization at the closing of the 20th century. In this regard we have noted a similarity, a meeting of minds, in the talks we have held with government officials.

We have held talks with President Lacalle, and I approve of his realistic way of thinking. He has been fostering new possibilities for Uruguay, a small country with an obviously modest economy within the context of a market of 200 million inhabitants, but which has a real opportunity to find its niche in our modern times.

We see the possibility of becoming part of the European mainstream in a similar way. We sought a dialogue on this subject in Europe, and we recently had the opportunity of debating it.

[EL PAIS] We know from experience that in our own country—and we have also noted this in socialist and populist countries—state-owned enterprises that eat into public revenues and employ a great number of people have been failures. Isn't is the same in your country?

[Iliescu] Of course, in Eastern European countries the state proved to be an inefficient administrator of the national economy. (In this answer, the Romanian head of state said, defending the state, that it is necessary to strike a balance between what the state and the private sector should do—the state should create the necessary conditions to promote the development of private activities, though private companies should do their share, too.—EL PAIS)

[EL PAIS] Mr. President, in more than a standard appraisal, we would like to make a comment following our previous line of thought, in the sense that those countries tended to be distributors of goods rather than producers of wealth. Do you agree, sir?

[Iliescu] Absolutely.

[EL PAIS] Wouldn't it be more advisable, then, for states to strive to promote and stimulate private initiative?

[Iliescu] That's absolutely right, it is the centerpiece.

Foreign Media Bulletin: Balkan Crisis 10 August

WA1008165793

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Session of Bosnian peace talks cancelled because of continued Serbian occupation of Mount Igman, Bjelasnica ... NATO agrees to UN veto of air strikes ... Bosnian Serbs appeal to Russia to oppose air strike threats ... Bosnian Serbs say withdrawal from peaks continuing as scheduled; Muslims says Serbs blew up TV transmitter, burned hotels ... Sarajevo Radio claims thousands of Muslims ethnically cleansed by Croat forces near Mostar ... Serbs in Belgrade block Danube.

DIPLOMATIC

SESSION OF PEACE TALKS CANCELLED (TANJUG): Spokesman for international mediators says latest session of Bosnian peace talks in Geneva cancelled because Bosnian Serbs have not withdrawn from Mounts Igman and Bjelasnica as planned. Peace conference cochairmen Owen and Stoltenberg to decide when talks will resume. (LD1008135893)

NATO DISCUSSES AIR STRIKE OPTION (AFP): NATO officials agree to prepare for possible air strikes on Bosnian Serbs if the siege of Sarajevo continues. Bombing raid decision will require approval of all NATO members and UN Secretary General Butrus-Ghali. (AU0908204793)

SERBS URGE RUSSIA TO OPPOSE STRIKES (TANJUG): In a letter to the Russian Foreign Ministry, Bosnian Serb "prime minister" Lukic urges Russia to "clearly and unequivocally declare its opposition" to NATO air strike threats. Lukic says Western "threats and blackmail" are "streaming in unabated," making it evident that military intervention is "imminent." (LD0908212993)

MILITARY

SERBS SAY WITHDRAWAL PROCEEDING: TANJUG says withdrawal of Bosnian Serb forces, deployment of UN troops on Mounts Igman and Bjelasnica proceeding as planned, despite Muslim attack on UNPROFOR, shelling of TV tower. Sarajevo Radio says tower, hotels in area destroyed by Serbian forces. (LD1008123893, AU0908200593)

CROATS EXPELLING MUSLIMS: Sarajevo Radio says Croatian forces "ethnically cleansed" 16,000 Muslims in central Bosnia over the last four days, forcing them into small area controlled by Bosnian Army in Mostar. Zagreb Radio reports "heavy fighting" between Croats, Muslims in Mostar. (LD0908211493, LD1008085093)

FIGHTING BETWEEN MUSLIM FACTIONS: TANJUG claims "real war" has broken out between Muslims who want to leave Muslim enclave of Zepa and "extremist" Muslim faction "who try to stop them by force." (LD0908213093)

SANCTIONS

SERBS BLOCKADE DANUBE IN BELGRADE (TANJUG): After four-day hiatus, "nongovernmental and nonparty associations" reportedly resume blockade of international traffic on river, "voluntarily" blocking river with rented ships and private boats in protest over sanctions on FRY. (LD0908192193)

Serbs Scheduled To Turn Over Igman, Bjelasnica

UNPROFOR Arrives on Peaks

LD0908212393 Belgrade TANJUG in English 2056 GMT 9 Aug 93

["Pool" item]

[Text] Bratunac, Aug 9 (TANJUG)—Most of the UNPROFOR troops, which are to take over control of Igman and Bjelasnica, on Monday [9 August] arrived on positions on the two mountains near Sarajevo, TANJUG has learned from sources of the Serb republic's army.

Troops of the U.N. Protection Force (UNPROFOR) heading for Igman were shot at by Bosnian Moslems, the same sources added.

Bosnian Army Commander General Ratko Mladic [as received] and UNPROFOR Commander for Bosnia-Herzegovina agreed on Sunday that UNPROFOR should take over control of Igman and Bjelasnica from Bosnian Serbs who seized the two mountains to stop the Moslem artillery pounding Serb positions around Sarajevo.

Bosnian Serb forces on Monday withdrew from the area surrounding a TV relay on Bjelasnica and UNPROFOR troops are expected to replace them any moment, the general staff of the Bosnian Serb army said. Their deployment was delayed by a storm earlier in the day.

Two UNPROFOR platoons have so far arrived on Igman, one from the direction of Vojkovici and the other from Hadzici. Moslem forces opened fire on visibly marked vehicles of the latter UNPROFOR unit. Bosnian Serb military sources said UNPROFOR representatives themselves confirmed the Moslem rifle-grenade attacks.

No information has been available so far about the third platoon, which set off for Igman from the direction of Hrasnica. But Bosnian Serb sources said the platoon was expected to reach the destination soon. The general staff of the Serb republic's army said that, despite the Moslem side's efforts to thwart the operation, the first of the plan's three stages was already under way.

The plan to deploy UNPROFOR troops on Igman and Bjelasnica has been initiated by the Serb side.

Muslims Reportedly Attack Convoy

LD0908195593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1839 GMT 9 Aug 93

[Excerpt] Bratunac, 9 Aug (TANJUG)—Members of the UN Protection Forces (UNPROFOR) were expected to arrive at the TV relay on Mt. Bjelasnica at 1200 today, but stormy weather delayed their deployment in this area, TANJUG has learned from the main headquarters of the army of the republic of Srpska [VRS].

The same source disclosed that UN military observers have already been stationed near this relay and that VRS forces have withdrawn from their positions there in the course of the day. These positions will be taken over by UNPROFOR forces stationed in the immediate area any moment now.

According to the Serb liaison officer [in charge], one of the three [UNPROFOR] platoons that had left Vojkovici in the direction of Igman this morning has reached its [designated] position on this mountain at Babin Dol.

Muslim formations have been opening fire on the blue beret unit proceeding from Hadzici [Sarajevo suburb] toward Mt. Igman, with visible UN insignia on their vehicles, and their antitank mine attack on the column has been registered by UNPROFOR representatives. [passage omitted]

Serbs Reportedly Destroy Transmitter

AU0908200593

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1700 GMT on 9 August within its regular 32-minute newscast carries several reports on the situation in the Republic.

A report by the 1st Corps Information Service says that "the news of the day from Igman reads as follows: The chetniks have destroyed the Bjelasnica transmitter. The criminals of the [word indistinct) army have mined and ruined the transmitter's [word indistinct] although they had it under their control. All the hotels on Veliko Polje and Malo Polje are on fire," the report states, adding that "this could be a hint that the unruly Serbo-Montenegrin army may withdraw. There are no other signs of withdrawal. The aggressor is still attacking, particularly with artillery." Furthermore, "Sarajevo was calm again today. Apart from rare provocations along the defense lines, several rockets were launched from the portable rocket launcher at the building of [word indistinct] around noon."

A report by the Seven South Group Information Center says that "more than 400 shells were launched on the free territory of Tesanj, Maglaj, Doboj, and Teslic" and that "Serbian howitzers and tanks are shelling the town of Tesanj and the villages of (?Planije), Kalosevic, Miljanovci, (?Bijela), and Sije." "Fierce provocative fire from Bofors, mortars, and tanks was directed at the Doboj defenders on several occasions, but our defenders have not responded."

A Zvornik Press Center report states that "apart from the usual provocations from infantry weapons along the defense lines, the aggressor also began to shell populated places. With approximately 50 tank shells from (?Androvici) and 100 mortar bombs from Kiseljak and Malesici, the aggressor pounded the broad region of [name indistinct] and (?Kovacevici).

Salih Brkic reports that the "chetniks occasionally open infantry fire on the Majevica battlefield, as well as around Kalesija and Zivinice."

An unidentified correspondent from the Kladanj region reports that there are "occasional attacks from infantry weapons and a (?rare) fire from antiaircraft guns and death sowers at the defense lines."

Karadzic on Withdrawal

LD0908160793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1438 GMT 9 Aug 93

[TANJUG punctuation throughout]

[Text] Geneva, 9 Aug (TANJUG)—Radovan Karadzic, president of the republic of Srpska, told TANJUG today that Mounts Igman and Bjelasnica will be handed over to full UN Protection Forces [UNPROFOR] control. According to international law as it affects wars, these zones can be either demilitarized or made into neutral zones, and only a third, neutral force can come in; in no way can the Muslim forces do so, Karadzic believes.

Commenting on Izetbegovic's conditions, Karadzic recalled that Izetbegovic declared war on the Serbs and not the Serbs on Izetbegovic. "Since he declared war, we have the legitimate right to defeat him."

The president of the republic of Srpska believes that Izetbegovic does not want a political resolution and that the international community should become aware of this. "If Izetbegovic wanted a political resolution he would have agreed to the continuation of the Lisbon conference and thus avoided the war."

"We are now where we were during the Lisbon conference, on the very eve of the outbreak of the war," Karadzic assessed.

Izetbegovic is again trying to evade reaching a political agreement—he wants the war to go on and escalate, Karadzic went on.

Commenting on Izetbegovic's statement on alleged Serb preparations for an offensive on Gorazde, Karadzic said that speculations about someone's intentions cannot be taken as a pretext for setting conditions. "We have no intention of attacking Gorazde, we are not even responding to Muslim provocations from the Gorazde area."

Commenting on Izetbegovic's disputing an agreement on the size of the Muslim territory in Bosnia-Herzegovina, Karadzic said that full agreement has been reached on the constitutional setup of a union of republics, including an agreement in principle that the Muslim territory should not be smaller than 30 percent of the overall territory of Bosnia-Herzegovina. "There is an agreement by all three sides. New tones and elements may bring confusion and make further negotiations difficult."

Speaking about today's session of NATO and the influence of air strike threats on the Geneva conference, Karadzic said: "NATO has its motives for issuing threats and possibly launching attacks." According to Karadzic, these motives have nothing to do with the Serbs. NATO, according to Karadzic, has lost its raison d'etre and is trying to find it in constantly issuing threats, this time to the Serbs, tomorrow to the Russians or somebody else."

We have decided to cede Mounts Igman and Bjelasnica to UNPROFOR not because of the NATO threats, but in order to salvage the conference, Karadzic said, adding that the fear of the threats exists and that they are taken seriously.

Karadzic holds that a proposal by the cochairmen for Sarajevo to remain a UN-protected area is acceptable.

UN Troops Blocked

AU0908140093 Paris AFP in English 1316 GMT 9 Aug 93

[Text] Sarajevo, Aug 9 (AFP)—Three U.N. patrols were impeded Monday [9 August] from reaching the tops of two strategic mountains here, despite the pledge of Bosnian Serb leader Radovan Karadzic to grant them access as part of a phased withdrawal, a U.N. official said.

Commander Barry Frewer said that a crowd of Serb women had blocked one reconnaissance patrol. A minefield had blocked another U.N. team, and the third patrol had failed to reach the summit owing to high winds and driving rain.

The patrols were trying to reach the summits of Mount Igman and Mount Bjelasnica, which the Serb military command had agreed to surrender to U.N. control Sunday.

Karadzic said earlier Monday that Serb forces were already withdrawing from the heights, and that their fate depended on whether the U.N. forces were "capable of taking the mountains under control."

"We will withdraw completely," Karadzic told the BBC.

Observers here said that the women blocking a patrol at the village of Blazuj were likely to have been motivated by Serb militiamen opposed to the peace process currently underway in Geneva.

UNPROFOR Begins Deployment

LD0908123093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1105 GMT 9 Aug 93

[Text] Bratunac, 9 Aug (TANJUG)—Implementation began this morning of a detailed agreement, put forward by the Serb side, on the deployment of UNPROFOR [UN Protection Forces] on mountains surrounding Sarajevo. We have learned this from the General Staff of the Army of the republic of Srpska.

The same source has said that this is the implementation of the first of three phases set out in an agreement reached yesterday by commander in chief of the army of the republic of Srpska General Ratko Mladic and

UNPROFOR Commander for former Bosnia-Herzegovina General Francis Briquemont.

Three Serb liaison officers with three blue beret platoons set off from Sarajevo airport at 0700 for Mt Igman going into three directions: Hadzici, Hrasnica, and Vojkovici. Their task is to tour the frontline and work out all details of the deployment of UNPROFOR on Mt Igman. One UNPROFOR platoon is to stay on Mt Igman today while the other two are to return and carry out comprehensive preparations for the continuation of the operation.

Blue berets are scheduled to be deployed in the region of a TV relay on Mt Bjelasnica at 1200 today. Muslim formations attacked that area last night despite the presence of an UNPROFOR advance party there. That attack was repelled but one of the Serbian soldiers was wounded, the general staff of the army of the republic of Srpska stated.

Croat-Muslim Street Fighting in Mostar Overnight

LD1008085093 Zagreb Radio Croatia Network in Serbo-Croatian 0800 GMT 10 Aug 93

[Report by correspondent Zdenko Vranjes from Mostar]

[Text] Heavy fighting between the Muslim army and the Croatian Defense Council took place in Mostar overnight. Muslim forces carried out two abortive attempts to penetrate the town defense lines. In Ricine street, Croatian defenders launched a counterattack shifting the defense line forward and reinforced the newly acquired positions. An attack by the Muslim army in Semovac has also been repelled. The Muslim army suffered huge losses while the Croatian Defense Council did not have a single casualty, the information service of the general staff of the Croatian Defense Council has reported. Mostar has been peaceful this morning.

Sarajevo Radio on Croatian Attacks in Mostar Area

LD1008022993 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 9 Aug 93

[Excerpt] [Announcer] After a long period of time, our colleague Izudin Sahovic has filed a report from Mostar. Let us hear his detailed account of events in Mostar over the last three months.

[Sahovic] It is unbelievable how many shells of various calibers and other ammunition have been fired on Mostar over the last three months. It is certain that the Croatian Defense Council [HVO] did not fire so much ammunition during the entire war against the chetniks in Herzegovina. Where did all the weapons come from—tanks, multiple-rocket launchers and even light airplanes which bombed Mostar—where did they come from if the arms embargo was implemented equally against the Bosnia-Herzegovina Army on one side and the HVO and the Croatian Army on the other side?

The impact of this immense fire power is horrific. Hundreds of innocent civilians have been killed, many of them children, and hundreds were wounded. Thousands of apartments, houses, and other buildings were razed and all the remaining Islamic cultural monuments have been destroyed. The old bridge, a monument of international significance, was seriously damaged and it is about to collapse.

At the same time, the HVO extremists have carried out thorough ethnic cleansing of the western part of Mostar which is under their control as well as the municipalities of Stolac and Capljina. Despite tens of thousands of imprisoned Muslims in numerous concentration camps in Herzegovina, a huge number of refugees have arrived in the Mostar municipality over the last few days. More than 14,000 of these unfortunate people are currently in the old town of Blagaj. They are sleeping under open skies and five people have already succumbed to fatigue and lack of water and food. [passage omitted]

Croats Said To Expel 16,000 Muslims Near Mostar

LD0908211493 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 9 Aug 93

[Text] Over the last four days, the HVO [Croatian Defense Force] ethnically cleansed around 16,000 people, mainly women and children, from Capljina, Pocitelj, Drecelj, Domanovici, and Dubrave [Muslim areas south of Mostar] to the left bank of the Neretva River in Mostar, controlled by the Bosnian Army. Around 1,000 people were expelled today, which brings the total number of people expelled to the left bank in Mostar to 35,000-40,000 persons.

Bearing in mind that these unfortunate people are arriving in Mostar without anything and that humanitarian aid is not arriving in the city, it is only a matter of time before the people will start succumbing to starvation.

Boban on Izetbegovic's Croat-Muslim Union Proposal

LD0908193193 Zagreb HTV Television in Serbo-Croatian 1730 GMT 9 Aug 93

[Interview with Mate Boban, head of the Croatian delegation at the Geneva talks by VJESNIK and VECERNJI LIST correspondent Mirko Galic, at Geneva airport on 9 August—live or recorded]

[Text] [Galic] Mr. Boban, while you were absent from Geneva, Mr. Izetbegovic proposed a union of Croat and Muslim republics. I suppose that you have returned to Geneva with an answer. What is your answer?

[Boban] I did not receive this proposal. Mr. Izetbegovic [Bosnian president] sent it in a letter to [Croatian] President Tudjman. Knowing how patient Mr. Tudjman is with Mr. Izetbegovic, he will probably send a reply. It will not be polite for me to reply to letters sent to somebody else. These ideas of Mr. Izetbegovic go back to 31 March 1992, before the talks in Brussels, when we discussed a plan for a confederal Bosnia-Herzegovina according to [international mediators] Carrington and Cutilheiro's proposal. That is when Izetbegovic said that Muslim and Croat interests in Bosnia-Herzegovina should be incorporated in a union, and that Serbs should be put into their pens according to their wishes. Of course, we agreed to discuss this idea, but when Izetbegovic came to Brussels [negotiations in 1992] he did not even greet Mr. Tudjman and me.

[Galic] Yes, but what will you reply if this issue is raised during the negotiations?

[Boban] I think he [Izetbegovic] already gave an answer. His opinion regarding the Croats of Bosnia-Herzegovina is best illustrated by the constant criminal attacks by his Army on the Bosnia-Herzegovina Croats. He provided an answer to this question a long time ago.

[Galic] So your answer is negative.

[Boban] No, his answer is negative.

[Galic] In your opinion, what is the priority among the disputed issues, some say the question of Sarajevo is the most difficult one.

[Boban] Well, the constitutional agreement has been reached. The only danger is if he returns to his old ways, one day he says one thing and the other day he denies it. It is essential to determine the territory of the republics. It can be determined immediately in principle regarding undisputed areas, but it can also be a process.

British RAF Evacuate Injured Girl From Sarajevo

AU0908175993 Paris AFP in English 1425 GMT 9 Aug 93

[Excerpts] Sarajevo, Aug 9 (AFP)—A British Royal Air Force [RAF] plane Monday [9 August] evacuated a badly wounded five-year-old Moslem girl out of the besieged Bosnian capital after the United Nations appeared unable to evacuate her in time to save her life.

The child's doctor however said it might be too late to save her. [passage omitted]

Irma, who had been hospitalized here, needed treatment she could not get in Sarajevo, mainly because of a lack of electricity due to the conflict. [passage omitted]

A spokesman for the UN International Children's Emergency Fund (UNICEF) Manuel Fontaine told AFP that medical "evacuations by the UN do not provide for emergency cases, doubtless so as not to create a precedent."

Serbs Call on Russia To Oppose Threats

LD0908212993 Belgrade TANJUG Domestic Service in Serbo-Croatian 2002 GMT 9 Aug 93

[Text] Pale, 9 Aug (TANJUG)—Dr Vladimir Lukic, prime minister of the republic of Srpska, has requested Russia to "clearly and unequivocally declare its opposition to the policy of threats" against the Serbs and thus contribute to creating a favorable atmosphere that will promote the successful continuation of the Geneva talks.

In this evening's letter to the Russian Federation's Foreign Ministry, Dr Lukic pointed to all the efforts invested by the republic of Srpska government to remove the reasons cited by NATO and the United States for bombing positions held by the Serb army and other targets in the republic of Srpska.

"By now," the letter further says, "our government has ordered a halt to all military activities in the wider Sarajevo area and other towns designated as safety zones."

"Everything on Mounts Igman and Bjelasnica has been turned over to the control of the United Nations, whose observers have already been deployed in this area," Dr Lukic claims, adding that "as soon as UN forces are able to guarantee the neutrality of this area, the Serb forces will withdraw."

Recalling that the Serbs have opened two new passage routes for humanitarian aid convoys headed toward Sarajevo, the letter says that the Serbian side, in conformity with all the technical means at its disposal, had secured a steady supply of water, electricity, and gas to this Muslim-controlled city.

"Despite all we have done to remove the reasons for foreign military intervention against the republic of Srpska, threats and blackmail are streaming in unabated, and are, to our knowledge, culminating to the point where aggression by certain Western countries is becoming imminent," the letter stresses.

Serbs Want Joint Control of Aid Corridors

AU0908145993 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 9 Aug 93

[Report by Marica Lalovic from Sarajevo]

[Text] Early this morning the army of the republic of Srpska and members of UNPROFOR [UN Protection Forces] started to implement the agreement reached yesterday at Sarajevo airport. Lieutenant-General Ratko Mladic, commander of the republic of Srpska army, and Belgian General Frances Briquemont, UNPROFOR commander for the former Bosnia-Herzegovina, agreed that the withdrawal of Serbian forces and the handover of the positions on Mt. Bjelasnica should begin early this morning, and should be carried out in three stages.

The first stage is the deployment of peacekeepers on the positions that were under the control of the republic of Srpska army. The army started off toward these mountains from three directions—from Vojkovici, Hadzici, and Butmir—this morning, where UNPROFOR members are to take over control of some strategic points, which were held by the republic of Srpska army until this morning. This implies control of the summit of Mt. Bjelasnica, where the transmitter is located for the former television of the former Bosnia-Herzegovina.

The Serbian side has agreed to pull back its units from these mountains in three stages. However, the Muslim side yesterday pulled out of the airport talks, as their commander demanded that the Muslim army controlled these mountains together with UNPROFOR. The Serbian side rejected that. The republic of Srpska army commander again reiterated that the Serbian army would withdraw from the summit of Mt. Bjelasnica, but only at a distance from which it can hold the positions handed over to UNPROFOR within artillery reach, in order to avoid having Muslim units appearing on these mountains.

Anyway, as of this morning, two humanitarian corridors are supposed to be in operation in and out of Sarajevo. These are Sarajevo-Zenica and Sarajevo-Mostar. To start with, these would be used for the movement of UNPROFOR members, UNHCR vehicles, and other humanitarian purposes, and later they would be open to civilian movement in and out of Sarajevo. These roads will be controlled by UNPROFOR and the Serbian side.

TANJUG Reports Armed Clashes Between Muslim Factions

LD0908213093 Belgrade TANJUG in English 2050 GMT 9 Aug 93

[Text] Belgrade, August 9 (TANJUG)—Members of two Moslem factions fought on Sunday [8 August] what amounted to a real war in the centre of Zepa, within sight of the U.N. observers stationed in this safe area for Moslems, one of the six in the former Yugoslav Republic of Bosnia-Herzegovina.

Serb combatants on positions around this east Bosnian Moslem enclave testified to the incident, claiming that the shooting from infantry weapons was heard from the town also on Monday morning, the Bosnian Serb news agency SRNA reports on Monday.

As learned, the conflict broke out between members of a Moslem faction who want to leave Zepa and those of another, extremist faction who try to stop them by force, including the use of weapons.

The number of killed and wounded is believed to be very high.

A similar incident recently occurred in the Cazinska Krajina region, a Moslem enclave in western Bosnia, where many soldiers and civilians were killed or wounded in armed clashes between supporters of militant Bosnian Moslem leader Alija Izetbegovic and local moderate Moslem politician Fikret Abdic.

Serbs Say Muslim Forces Launching Attacks

LD0908143993 Belgrade TANJUG in English 1326 GMT 9 Aug 93

[Text] Bratunac, Aug 9 (TANJUG)—Moslem formations on Monday morning [9 August] launched small arms and artillery attacks on Bosnian Serb Army positions near Sarajevo, Doboj, Teslic and Mount Ozren (northern Bosnia), Zavidovici (central Bosnia) and Bihac (western Bosnia), a statement issued by the Bosnian Serb Army said.

The statement reported fresh movements by Moslem forces in the area of Novi Grad (formerly Bosanski Novi, in northern Bosnia) and on the frontline near Velika Kladusa (western Bosnia).

NATO aircraft were flying low again on Monday over the western part of the Bosnian Serb Republic, disturbing the citizens of Petrovac, Kljuc and other municipalities in the area, the statement said.

The Bosnian Serb Government has so far lodged a number of protests with international institutions against low flights of NATO craft in controlling a no-fly zone over the former Yugoslav Republic of Bosnia-Herzegovina. The low flights upset population, while breaking the sound barrier causes material damage on buildings.

HDZ, Herceg-Bosna Officials Meet

LD0908122193 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 9 Aug 93

[Report by correspondent Zdenko Vranjes from Grude]

[Text] A meeting is under way in Grude between the main committee of the Croatian Democratic Community [HDZ] of Bosnia-Herzegovina and the presidency of the Croatian community of Herzeg-Bosna. The groups are analyzing the security and military-political situation in the Herzeg-Bosna area and discussing the constitutional agreement on a union within the Republic of Bosnia-Herzegovina and other Geneva documents connected with the questions of peace and borders within Bosnia-Herzegovina.

Members of the HDZ main committee and of the presidency of the Croatian community of Herzeg-Bosna in central Bosnia were unable to come to this meeting and therefore discussed these matters in Busovaca last night, unanimously expressing their full (?support for) the standpoints of the Croatian negotiators in Geneva.

Infantry and artillery attacks by Muslim forces on Croat villages in the areas of Kiseljak, Kresevo, and Fojnica continued last night and this morning. Muslim guns fired particularly strongly at the villages of (Ostigosce), Kazagici, and (Radar). Three people were killed there and seven were wounded.

Muslim snipers in Vitez wounded two people today. There are frequent infantry provocations by the Muslim army in this area but there is no fighting.

In Mostar there is sporadic small arms fire today. Last night the Muslim army fired mortars around the city and carried out its customary infantry attacks in sections of the Mostar battlefield. The lines on the battlefield have remained the same although one member of the HVO [Croatian Defense Council] forces has been injured.

'Sporadic Attacks' on Maslenica Reported

LD1008082493 Zagreb Radio Croatia Network in Serbo-Croatian 0800 GMT 10 Aug 93

[Report by correspondent Bozidar Klaric from Zadar]

[Excerpt] Serb terrorists were engaged in sporadic attacks on the Novsko straits and the Maslenica pontoon bridge construction site overnight. Serbs based in Meka Draga in Krusevo had fired approximately 20 artillery shells by 0500 this morning. The building site of the pontoon bridge spanning the Novsko straits came under attack from the Serb artillery yesterday afternoon and evening. Particularly heavy attacks were in progress between 1700 and 2000 yesterday evening.

Despite all these attacks, Brodospas construction workers attached a new barge to the pontoon bridge overnight, to replace a damaged one that was hit on 1 August. [passage omitted]

Split in Party of Rights Confirmed

LD0908151793 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 9 Aug 93

[Text] At a press conference given by the Croatian Party of Rights [HSP] in Zagreb today its chairman Dobroslav Paraga spoke about the split within the HSP and described a convention of the party which was held in Kutina on Saturday [7 August] as an illegal gathering. Paraga claims that 90 percent of the members support him, that the split has been caused by the leadership ambitions of Ante Djapic, and that a dissident group is at work here.

At the press conference leaders of several HSP county councils who support Dobroslav Paraga were presented. Speaking about an announced extraordinary HSP assembly which is to be held in Kutina on 11 September, Paraga said that he has convened a session of the main committee of the party for 4 September.

Serb Party's Letter Notes Rights Problems

LD0908170593 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 9 Aug 93

[Text] The Zagreb-based presidency of the Serbian National Party has sent a letter to Croatian President Dr Franjo Tudjman, signed by Party Chairman Milan Djukic. The letter says: Esteemed Mr. President, as we have always done hitherto, we are respectfully addressing you as the president of all the citizens of the Republic of Croatia with the intention of making our own political contribution to creating all the necessary conditions for permanent peace in the Republic of Croatia.

Faced with certain examples of the nonfunctioning of the law-governed and democratic Republic of Croatia, first we would like to warn you that the constitutional law on human rights and freedoms and rights of ethnic and minority communities has not been observed as regards its section on the parliamentary representation of the Serbian ethnic and national community. On several occasions we have sent an official note in this regard to the Constitutional Court of the Republic of Croatia which has not officially responded, even after six months.

The letter further singles out as an extreme and current problem the issue of acquiring Croatian citizenship, and warns on the lack of efficiency of some low-level state services. In some areas citizens have unlawfully been moved out of their apartments which are legally their private property. The destruction of religious facilities of the Serbian Orthodox church has recently become frequent. Private property swaps have been going on in some areas under pressure from unofficial groups. There have been problems in POW [prisoner of war] exchanges.

The letter stresses that these problems have a considerable impact on the loss of fundamental civil rights for the population of the Republic of Croatia and goes on to say: We have been launching initiatives for the restoration of permanent peace and the creation of the Republic of Croatia as a civil, democratic, and law-governed state. This letter is our attempt to draw your attention to certain deviations present in the implementation of such a policy which is of interest and vital importance to all of us.

Please take our efforts into consideration, and do everything you can through your personal influence and the authority of the president of the state of Croatia to ensure that the occurrence of these problems can be be prevented. In this you will always enjoy our support and support from all those Serbs living in the Republic of Croatia who are proud of their Serb nationality and their Croatian state, the letter concludes.

DANAS Assesses Bosnian Arms Industry Capability

AU0908103393 Zagreb DANAS in Serbo-Croatian 30 Jul 93 pp 25-27

[Article by Edvard Popovic: "The Manufacturers of Muslim Arms"]

[Text] This spring, we were told by a Dutchman that a text of his, sent into the electronic mail system, had caused significant skepticism in the users. His text claimed that the Muslims were not merely an object of pity, people armed with slings or, at best, with trophy weapons from the times of the Turkish advance to the West. The current offensive action of the Bosnia-Herzegovina Army on the Croatian areas in central Bosnia and its force and efficiency in destroying and conquering communities display, among other things, the technical equipment of the Muslim forces, which needs to be respected and which is not surprising.

The military industry of Bosnia-Herzegovina was the skeleton of the military industry of ex-Yugoslavia—over 40 percent of all military capacities was in that republic. Not without reason, as, according to the war doctrine, in the case of attack from the East or the West, Yugoslavia would have defended itself at the Sava and Kupa Rivers and great quantities of raw materials for war production were stored in Bosnia-Herzegovina; all the energy media, enormous quantities of technical equipment for a long-lasting war.

The largest military-industry system in Bosnia-Herzegovina was the United Specific-Purpose Industry Sarajevo [UNIS], formed in 1968 by uniting several important military factories—Igman Konjic (factory for infantry ammunition, the capacity of which is, at present, several million bullets per day), Pobjeda Gorazde (factory for caps and pyrotechnics), Pretis Vogosca, Slavko Rodic Bugojno (factory for artillery and mortar fuses) and Slobodan Princip Seljo Vitez (factory for missile and artillery powder and explosives).

On the international scale, UNIS was a respectable military-industry complex within which huge technical and financial power was concentrated. It produced all the ammunition of 12.7-mm caliber, artillery ammunition from 76-mm caliber to the maximum caliber necessary; powders, explosives, cartridges, fuses, caps, non-guided missiles from 90-mm caliber upward, guided missiles from 120-mm caliber upward....

The second, somewhat smaller system is the Motor Factory Sarajevo [FAMOS], manufacturer of combat vehicles and armored personnel carriers. The factory has plants in Hrasnica, at Pale (KORAN), in Rogatica and Sanski Most; and STROLIT, a casting factory from Odzak. The third big system is ZRAK of Sarajevo, manufacturing precision mechanics, optics and laser technology, the main part of which is located in Sarajevo, and two less significant plants, designed for commercial production, were in Teslic and Ivancici. Finally, there is Energoinvest, which was not a typical military system, but is of crucial importance in this war. The Energoinvest plants are the main production centers of the military industry in Bosnia-Herzegovina.

The War Production Regime

All these factories were working at full capacity until the beginning of the war in Bosnia-Herzegovina. The rhythm of production was thrown into disorder by the war, when the factories, depending on the national surroundings, fell into the hands of either the attacker or defender. At present, the Serbs are holding PRETIS of Vogosca, the most important part of the military-industry complex FAMOS and two smaller ZRAK plants. The rest of the factories have been taken over by the defenders, which is at present a completely relative term when Bosnia-Herzegovina is concerned, so we are going to list the ownership according to the national principle.

The Muslims hold the most important part of UNIS (Slavko Rodic Bugojno, Igman Konjic and Pobjeda Gorazde), the main production centers of ZRAK in the subterranean halls under Mount Zuc, and the most important production capacities of Energoinvest of which there is, apart from Sarajevo, a significant number in the Tuzla basin and in the valley of the Bosna River. Let us not forget the artillery factory Bratstvo Novi Travnik, which is a special military-industry complex, now in the hands of the Muslims. The same goes for the explosives and powder factory SPS from Vitez, for which fierce battles are being fought at present, as conquering it would enable the Muslims to supplement their military-industry circle.

All the military factories in the hands of the Muslims are now working under a war regime and supplying the Bosnia-Herzegovina Army. There are enough experts not only to organize production according to the existing documentation, but also to develop new combat systems that were shown to be necessary in this war, and the former Yugoslav National Army [JNA] did not have (they thus developed the missile for the multiple launcher with a range of 11,000 meters). UNIS had an institute for weapons in Sarajevo, that had special research and development departments in all the factories. In the mid-eighties, the most prominent experts were transferred to these departments from the production department, and later to the central institute in Sarajevo, where they worked on the development of weapons.

The institute was located in the high-rises in downtown Sarajevo (called Momo and Uzeir [after the characters from a TV show]), at which the Serbs fired incendiary missiles in order to set the archive on fire. The archive had, however, been taken away and completely preserved. Moreover, at the Sarajevo faculty of mechanical engineering, there had existed, for the past 10 years or so, the department of military engineering, with special courses in artillery, missiles and engines) that produced and established several generations of top-level experts. Sarajevo has an exceptional scientific potential with which, even in these conditions, the production of powder, for instance, could be organized without any difficulty.

Offices Abroad

With the help of UNPROFOR [UN Protection Forces], many experts were taken out of Sarajevo. In the free parts of Bosnia-Herzegovina or abroad they founded project and commercial-technical offices (some of them are in Croatia), and thus the wandering period, so typical of the Croatian military industry in the first year of war, was avoided. Regarding the experts in arms production in Bosnia-Herzegovina, the hierarchy has been fully preserved. The exceptions are the highly qualified Croat and Serbs cadres, of whom there are none at the top of the pyramid. For the rest, the following rule applied: it does not matter what his political orientation is, what matters is that he is Muslim and that he knows his job. With the almost undisturbed organization, that is the military-scientific hierarchy, it was possible to face the challenges of the military industry.

UNIS had, for the needs of the former JNA, done business with ammunition, powders, explosives... through its foreign representative offices. These offices, in which there are no more Serbs or Croats, are in business today. It is easy to suspect how important the old partners and the well-established business are at present. At that level, production may have been organized in the captured military factories; in the ones that were then not in the military sector, but were anticipated for war reserve capacities. UNIS thus had some 60 civilian factories in Bosnia-Herzegovina along with the military system. The civilian factories were supplying spare parts for the Sarajevo Automobile Factory [TAS], or were producing paint, varnish, glass, rubber products and plastic.

At present, the Energoinvest factories in the Tuzla basin produce mortar barrels and artillery weapons, while the Chemical-Alkaline Integrated Plant [HAK] produces components for the production of powder and explosives. It is assumed that the plant is working on the production of, if not already producing, poison gases and aerosol explosives. At a certain point there were chlorine threats from Tuzla. However, bearing in mind the confirmed information that the Bosnia-Herzegovina Army was using poison gases (however, not those of high generation) in the attacks on Busovaca, it may well be assumed what was behind the threat.

Apart from the factory in Konjic, ammunition is produced in the Zenica iron and steel plant, on locations near Tesnja and also in Tuzla. In the plant, there are presses that can produce artillery ammunition of various calibers (105-mm, 122-mm, 130-mm, 152-mm) out of used cartridges. Explosives are also made on two locations. Tuzla is most certainly one of them, while our sources could not confirm the information that Sarajevo is the other. The NATRON factory in Maglaj, that, in normal conditions, produces paper packaging material, should also be mentioned, as under war conditions, it produces cardboard cones for packaging ammunition. Within the factory is a viscosefactory. Viscose is a kind of nitrated cellulose, and with a small change of the technology and technological processes, nitrocellulose can be produced, which in fact is the term for "smokeless powder." If we add to these factories the military-industry complex from the beginning of the text, we will get a military industry that can produce much more than would be necessary to satisfy the immediate needs of the Bosnia-Herzegovina Army.

Arms for War to Victory

The military industry of Bosnia-Herzegovina, it is assumed, has at its disposal sufficient stocks of manufactured goods and raw materials without which war can not be won. Part of the stocks were confiscated at the warehouses of the former JNA, and part arrived in the numerous transports over the Croat territory. To illustrate the way that certain factories supply themselves with reproduction material, we may use the anecdote from a TV report. UNPROFOR was transporting some oxygen bottles for a Sarajevo hospital, and when the Serbs took several out, they discovered that they contained powder and caps. Croatia was also sending fresh raw materials to Vitez for its own needs, and in return it would get old powder or the powder that, when tested, did not meet the criteria of the former JNA. The Vitez factory is not working at present, but it is estimated that the stocks of explosives and powder are sufficient for several years of war.

When discussing the military power of the Bosnia-Herzegovina Army, one should not lose sight of the abundant aid that has arrived from Islamic countries. The Muslims are now in possession of some combat systems that even the former JNA did not have. For instance, there is the red arrow—one of the most modern armor-piercing missiles, microwave- or laser-guided, that they received from the Arab countries. If we add the warehouses of the former JNA that are now in the hands of the Muslims, the outlines of their military power will be even clearer. Be that as it were, the Dutchman mentioned in the beginning of the text was close to the truth. The international public, especially the Croatian public, that this matter very much concerns, was deluded by the notion of the helpless Muslims, of Muslims as victims.

Croats, in return, got one more enemy and several hundred thousand Muslim refugees. Apart from the humanitarian aspect, which we do not want to question, there is the military aspect of the problem of Muslim refugees. Seen from that angle, the population most capable for fighting remained in Bosnia-Herzegovina, while, by sending women, children and the elderly to Croatia they decreased their food and energy needs, that is, directed them to military industry and the front lines, and additionally burdened the Croatian economy. The Muslims are thus ready for new conquests, for extending their living space at the expense of the Croats. The ultimate goal of the fierce fighting in central Bosnia and in Herzegovina is, as the Muslim establishment is no longer hiding, access to the Adriatic. Will the Croats allow that?

[Box, p 26]

Ganic—Military Industry Strategist

Ejup Ganic, member of the Bosnia-Herzegovina Presidency, if not the number-one man of Bosnia-Herzegovina, is certainly the number-one man of the Bosnia-Herzegovina military industry. It is little known that the war in Bosnia-Herzegovina found Ganic in the position of general manager of the UNIS institute for arms. He had been in that position from the start of his career. Ganic has a Ph.D. in science, and, before coming to Bosnia-Herzegovina, he taught thermodynamics, an area of great significance to the military industry, at prestigious U.S. universities. He has written four books on the field in the English language. His former scientific and intellectual background predetermined him as a strategist of the Bosnia-Herzegovina military industry.

The most important project of the institute that Ganic headed is the guided missile of 450-km range. Is this project what the Muslim public relations agents have in mind when they send messages from Zenica that they can fire on Belgrade from Tuzla?

[Box, p 26]

Threat from Tuzla

Last week, on Slikom na Sliku [a daily Croatian Television program] there was a one-minute broadcast from Tuzla, showing scenes from one of the ammunition factories. The broadcast was unusual because the public was offered information that ordinarily belongs in the intelligence sphere. This is why it is our opinion that this was no oversight of Bosnian censorship, but a very clear message from the Bosnian authorities to the current enemies. What could, thus, be read from the broadcast?

Firstly, the issue is the organized production of shells for mortars of 60-mm, 82-mm, and 120-mm calibers, launcher grenades and ammunition for rocket launchers, and repairs to artillery pieces. The analysis of the recording shows that the shells are filled with a high-quality trotyl [trinitrotoluene]. Judging by the inscriptions on the cases, the explosives are of Western origin. The filling is done manually, but it enables continuous work and programmed cast-cooling, which guarantees the high quality of the product. The casting line was done on the model of the Bofors lines, which were not present in the military industry of the former Yugoslavia.

A new type of fuse was also shown. The fuse is obviously compatible with all the mentioned missiles, and its shape is reminiscent of the well-known French fuse that is produced under license in many Arab countries. We believe it is a simplified war version of that fuse. We also saw the complex drawing of the destruction shell for the M-57 launcher not produced by the former JNA or the Croatian Army. The shell in question could be very efficient in hitting lightly fortified dugouts and buildings, which it is not possible to do with other means except cannon.

The detail of the filling with the two different trotyl "cookies" points to winter conditions being taken into account, when a stronger trotyl initiation is necessary. The use of pure trotyl, instead of mining explosives, in the surrounding Tuzla points to either their own production of explosives, large stocks, or a regular supply. The shape of the shells is standard, resembling the former JNA products.

Judging by the machines and the cadres from the project office, it may be concluded that this is an issue of a well-organized production of shells in series as large as 5,000 pieces per day.

If this is not a propaganda trick, the message is very meaningful and clear. Those whom it was intended for should take it into account.

Road to Peace in Renouncing 'Lost' Territories

93BA1299A Belgrade POLITIKA in Serbo-Croatian 18 Jul 93 p 5

[Article by Ljubodrag Stojadinovic: "Withdrawal To Merge"]

[Text] Who knows, perhaps Zagreb's consent to withdraw its forces from the territory of the republic of Serbian Krajina [RSK] in exchange for a bridge and an airport have halted yet another big war. Just yesterday it seemed that a conflict could not be avoided, and Croatia had announced with artillery fire the use of every means to reestablish control over the Maslenica Gorge.

Perhaps the time has still not come to rely on an optimism that is after all realistic, because the recent past has shown that sometime initials mean nothing and are occasionally used only for mere legalization of tactical hesitation. The importance of the Maslenica Bridge to Croatia is strategic in both military and political terms. Because of the imperative to "take" Maslenica, Tudjman found himself in a very uncomfortable bind between the open dissatisfaction of all of Dalmatia and the ever clearer indisposition of the Western friends toward unpredictable Croatian unruliness. Commitment of the Croatian Army in central Bosnia is progressively exhausting the country both militarily and economically, while politically it is leading to the abyss of menacing sanctions. At this moment, Tudjman has almost 380,000 men under his supreme command; of these, somewhere around 100,000 are engaged on battlefields of the former Bosnia and Herzegovina. Counting the large losses to which Croatian troops are exposed every day, and these are occurring in painful and cruel showdowns with their former friends in the coalition, it must be realized that Croatia does not have an abundance of personnel left. It has been calculated that in the course of the war to date Croatia has lost a total of about 70,000 fighting men, but the government propaganda machine is concealing the truth of the death of at least half of them.

Under those conditions, a strategic operation against the RSK has not been objectively possible, because the width of the front on the territory of what formerly was administrative Croatia, is a fact which frustrates concentration of forces on a particular point even for much larger armies. They would have to return all or most of the troops from Bosnia, and operationally they would have to group forces over the long term on axes which are unconquerable for Croatia in the present balance of power.

The operation in central Bosnia has another dimension which has to some extent been left unexplained. From the Croatian standpoint, it is possible only if Serbian forces remain aloof, and that applies to both Serbian republics. Any spread of the Serbian-Croatian conflict could result in very unpleasant Muslim war initiatives, mostly at Croatia's expense.

In military terms, the calculations are very simple. Tudjman wants with all his heart a decisive skirmish with the Serbs, but he knows that he has a more important job at the moment, and that is why the artillery-tank incident with Krajina made sense only as an "alibi of intervention" and a demonstration of resolve before the nation, which aside from the umpteenth "general mobilization" really has no idea what can be expected next. The total state of exhaustion of that country is perhaps best illustrated by the cartoonist in the improper Split newspaper FERAL TRIBJUNA, who said in one of his captions: "At least the Serbs are this way because of the sanctions." Tourism continues to be literally dead, and that is the industry from which everything was expected. Without peace with the Serbs, there will not be any guests paying hard currency, and if that same goal (clean and secure shores) were achieved by total warfare, it would be decades before the golden years would return.

Circumstances like that have led Tudjman's advisers, otherwise belligerent, to the necessary level of imposed wisdom. The republic of Serbian Krajina has gained important points from that, and this is true in every respect. First of all, it was recognized as a partner in the negotiations, however grudgingly this was done. Croatia understood quite well the balance of military power. Its resources are slowly being extinguished, and instead of aid from outside, punitive measures are getting closer and closer. The Security Council has warned Croatia to give up on forcibly opening the bridge and the airport at Zemunik and thus avoid responsibility for the serious consequences, which would be quite certain.

The agreement is certainly a good sign for all parties in the confused wild war dance. But it would be good to wait not only until work begins, but also for the Croatian troops to withdraw to the borders under UNPROFOR [UN Protection Force] control before 22 January of this year. Both things, in our judgment, will go fairly hard, because the experience of all the "initialings" in which Croatia has taken part has been unpleasant without exception. By and large, the model used has been the one that follows from Mate Boban's practical diplomatic philosophy: "We sign everything, we do what we please...."

It is certain, however, that in the case of Maslenica Croatia is not in a position to do either. They need the bridge, peace, and the "lost" territory. The first and second are possible only if the third is renounced, because that is where the Serbs live, and they definitely do not want the Croatian state as their own. Many military analysts still think that Franjo Tudjman will not resist the "historical mission" of merging all Croatian territories with the parent state. But Croatia has long been without a belly, and it does not have what it takes to digest such a bite, nor does it have the strength to even survive the war which it would have to wage. That could be the quandary over which this or who knows what government in Banski Dvori might seek a peaceful compromise for a return to tourism.

Even the famous FERAL TRIBJUNA says that the Croats will have to take the sea to Tudjman's principal residence, because he can no longer come to the coast, and the reason is not the Serbs, who are extremely indifferent toward him, but because of the temperamental Dalmatians. This is perhaps the prelude to Zagreb's final realization that to get to the Adriatic they must either recognize the republic of Serbian Krajina or go around it.

Split in Trade Union Movement Reported

93BA1277B Zagreb VJESNIK in Serbo-Croatian 17 Jul 93 p 12

[Article by Ljubinka Markovic: "A Trade Union War Has Been Declared"]

[Text] Zagreb—On Friday the trade union scene split even publicly into two camps: on the one hand, the new coalition of the HUS [Croatian Unified Trade Union] and the Coordinating Committee of Croatian White-Collar Trade Unions, and on the other, a coalition patched together of the Federation of the SSH [Independent (Samostalni) Trade Unions of Croatia], the Confederation of the NSH [Independent (Nezavisni) Trade Unions of Croatia], and the MSJD [Union of Trade Unions of Public Employees]. On the same day, the two camps publicly entered politics for the first time when each sent out its own vision of the economic, social, and political situation in Yugoslavia to the Croatian and world public and presented them in separate press conferences.

It seems the disagreements began because of the tense negotiations on wages and salaries with the Economic Chamber. HUS president, Berislav Belec, said in the first press conference that his center will not sign with the Economic Chamber a shameful text raising wages and salaries 1 percent, but neither would he strike "until he gets the property stolen by the Federation of the SSH." The HUS, he said, is demanding higher wages and salaries because in Slavonia, Dalmatia, and Baranja the workers either are not receiving anything or the lowest pay is all they get, and many after waiting get only 4,500 Croatian dinars!

"Our brother federation is recommending that we strike," Belec says, "in order to get us out of the game in a perfidious way. Meanwhile, it is reaching a secret agreement with the government, because it has a tacit agreement that the government will not touch trade union property! The federation is the biggest war profiteer. It uses HUS solidarity when it needs it. All the masks are now off. We are declaring war on the federation, because we no longer want to have such a brother! We also reject the demand of the confederation for association. The HUS is not going to be a shoulder for the government to cry on, and it is in the interest of the government to strengthen the federation, which it can have in its pocket any time it likes!"

The declaration on the situation in the Croatian HUS and Coordinating Committee of Trade Unions points to the lack of understanding on the part of those who do not distinguish the victim of an attack from the attacker. Mention is also made of the weakness of the Croatian Government and its failure to get its bearings, but they also recommend that the Croatian people and workers defend their homeland by every means. "We are in favor of Croatia," Belec said, "but not just any kind of Croatia, and, if necessary, we will demand that governments change as often as socks."

Belec believes "that the trade unions are being sorted out into those which are left-wing and those which are Christian-Democrat, that is, the center, and that the HUS is not a 'crowbar' trade union." Vesna Kanizaj says that the two central offices represent the Christian-Democrat road, and they favor social and national consensus on questions of defense, reconstruction, survival, and the existence of the state. "Unlike others, we criticize the government and offer solutions, but we do not fall into caviling," said Kresimir Sever, while Ivica Ihas added: "The federation and the confederation are nostalgic for unitary bolshevism." Jozo Maric brought the discussion back to earth by saying that the workers of Dalmatia "will have to go to the streets unless the burden of the war is distributed and unless they feel that they have Croatia behind them." Speaking about the reasons for jointly making public their visions of the situation in a press conference of the three central offices, Dragutin Lesar, president of the Federation of the SSH, said that up to now the trade unions have been trying to be constructive, but when they seek tripartitism, it is imputed that they are seeking a share in the government or even the shadow government. "This declaration is a clear message that we will no longer reconcile ourselves to the situation and all those responsible must render accounts," Lesar said. Mladen Mesic, confederation president, added that this is yet another peaceful attempt to find a way out, and the MSJD president, Vilim Ribic, said "that there is no difference in policy supporting interests of political parties or a struggle for power."

In their declaration, the three central offices are seeking a clear answer to the question "Where is Croatia going?" There has been quite a bit of criticism of the government, but those central offices also stand firm in defending Croatia. Ribic answered our question as to why they spoke out on the eve of 18 July by saying that there is no connection between the two and that the trade unions wholeheartedly welcome the erection of the Maslenica Bridge and all the measures the Croatian Government will undertake. In answer to the question of what political mistakes the Croatian Government has made concerning Bosnia-Herzegovina, as mentioned in the declaration, Ribic says that "policy has been conducted with too little subtlety and that instead of strengthening the state of Bosnia-Herzegovina as a barrier to penetration of Serbia over the Drina and a possible merger with the 'krajinas,' the effect has been to strengthen the quasi-governmental structures," and he asked whether the objective was to strengthen the state of Bosnia-Herzegovina or to fight for territory?

Asked about "collusion with the government" and the division of the trade unions into left-wing and Christian-Democrat unions, Lesar said: "If they call us bolsheviks and accuse us of cooperating with the government, are they charging the government with being bolshevik!? I am not cutting secret deals with anyone, and let the HUS present evidence or shut up! As for the declaration of trade union war, I do not intend to wage war. Croatia has had enough war, and the HUS is only displaying dilettantism and stupidity." Ribic added that it was not a question of political division, but that leadership and the interests of sponsors were paramount in the other camp. Asked whether the trade unions were inclined toward the "factions" in the HDZ [Croatian Democratic Union], Lesar said briefly: "It has been stated publicly that there are no factions. I know of no factions."

[Box, p 12]

Final Negotiations on Wages and Salaries?

On Friday afternoon, the leaders of the Federation of the SSH, the HUS, and the Confederation of the NSH sat down at a table with Mladen Vedris, president of the Economic Chamber, to finish negotiations on wages and salaries for July and the months to follow. The HUS will not sign the monthly real increase of only 1 percent, which is why the negotiations became tense, because the other two central offices favor a gradual rise of wages and salaries, a total of 6 percent to the end of the year.

On the eve of the negotiations, the Economic Chamber finally sent its proposal to the trade unions—only a growth at the level of inflation, as has been the case up to now, with no additional increase of 1 percent. Is this only negotiating tactics in order to get the HUS to sign or pressure the trade unions to consent to everything just so the government does not bring out a decree? Or will Vedris sign nevertheless for 1 percent with the federation and confederation, and the minister of labor will extend the new wage and salary regime to everyone? Soon we will know.

Minister of Science Visits Austria

93BA1277C Zagreb VJESNIK in Serbo-Croatian 19 Jul 93 p 12

[Unattributed article: "Jeren in Austria"]

[Text] Zagreb—The delegation of the Ministry of Science and Technology, headed by Dr. Branko Jeren, minister and professor, paid a one-day visit to the Republic of Austria on Friday. The Croatian delegation, which aside from Dr. Jeren, was made up of Ivan Supek, member and president of the Croatian Academy of Sciences and Arts; Dr. Marijan Sunjic, professor and rector of Zagreb University; Dr. Stanislav Marijanovic, rector of Osijek University; and Dr. Radovan Fuchs, assistant minister of science and technology, was received by Dr. Erhard Busek, Austrian vice chancellor, with numerous associates.

In a very cordial and friendly conversation, the two delegations talked about the possibilities of broadening cooperation in scientific fields and the fields of higher education. It was agreed to establish a body at the ministry level that would operate to bring about joint research projects. The hosts showed particular interest in scientific projects in the fields of veterinary science, geology, meteorology, and chemistry, expressing openness also toward all other quality projects, whose performance would be agreed on directly between institutes or universities. There was also discussion of opening "centers of excellence," especially in the field of agriculture and marine research. Aside from being ready for joint projects on a bilateral and multilateral basis, the Republic of Austria also expressed a readiness to give Croatia further support on the questions of the TEMPUS [expansion unknown] and PHARE [Economic and Reconsruction Aid for Poland and Hungary] programs. Upon its arrival in Zagreb, the Croatian delegation judged the visit to have been successful.

UN Representative Demands Expulsion of FRY

AU0608172493 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 6 Aug 93

[Text] Dr. Danilo Tuerk, permanent representative of the Republic of Slovenia in the United Nations, sent a special letter to the UN Security Council Chairman Madeleine Albright and UN Secretary General Butrus Butrus-Ghali. In it he demands the continuation of the debate on the international legal succession of former Yugoslavia and final expulsion of this country [the FRY] from the international organization. The letter states that the SFRY no longer exists, as was established by the UN last year, and that the Serbo-Montenegrin federation must, therefore, apply for UN membership.

The ambiguities caused by the present status of this nonexistent country can be overcome only through the resolution of open issues. The postponement of the final decision merely feeds the illusion that the FRY is the successor to the disintegrated state.

Dr. Tuerk in his letter also says that by withdrawing from the working group for succession Belgrade blocked negotiations on division and retained former Yugoslav property.

Government Intends To Purchase Arms 'Next Year'

AU1008065193 Belgrade BORBA in Serbo-Croatian 5 Aug 93 p 6

[Unattributed report: "The Government's Highly Confidential Fund"]

[Text] Ljubljana—Through a special law classified "highly confidential," the Slovene Government plans to purchase arms for the state's defense needs in such a way that over the next eight years, 1 percent of the national income will be allocated from the state budget.

The purchasing of arms is supposed to begin next year, while according to unconfirmed information, Slovenia plans to buy six airplanes, two or three helicopter squadrons, one battleship, and one antiaircraft rocket launching system for medium altitudes.

In order to purchase these new arms, the Slovene Army has asked that the UN arms embargo be lifted. Slovenia submitted an official request for lifting the embargo as early as several months ago. Meanwhile, several international networks dealing in and smuggling arms for Croatia and Bosnia-Herzegovina have been exposed. One of the cases has exposed perhaps the greatest illegal arms deal of the past decades in Europe—150 tons of arms were stored in hangars at Maribor Airport, waiting almost a year to be delivered to the Bosnian Muslims.

Some Slovene media have announced that the purchase of arms might begin before the embargo is lifted because Pilatus planes have civil licenses.

Military Developments Aim at NATO Membership

AU0808172893 Split NEDJELJNA DALMACIJA in Serbo-Croatian 28 Jul 93 p 8

[Commentary by Emil Vidusic: "Slovene Dwarf in Front of the NATO Doors"]

[Text] The war is raging in Bosnia-Herzegovina, it is threatening to return to Croatia, and Slovenia, one of the republics of former Yugoslavia, is getting closer to becoming a member of NATO—the dream of many eastern European, until recently socialist, countries. Regardless of the fact that Macedonia also expressed a similar desire, many believe that Ljubljana is much closer to that than Skopje. And while the Macedonians, after the contact with the Americans, entertain hopes that they too will become a member of NATO some day, Slovenia has practically started realizing a certain kind of military cooperation with the North Atlantic Treaty Organization.

Ljubljana DELO and the magazine OBRAMBA published interesting texts from which the reader could undoubtedly conclude that the Slovenes have already set one foot in NATO.

Cooperation With NATO

Concrete military cooperation began last year, when NATO organized the "Dragon Hammer" spring naval maneuvers in the Mediterranean, which were attended by Slovene military experts as the only observers from former Yugoslavia. From then on, cooperation became even more intensive. In April this year, the Slovene Ministry of Defense organized in Ljubljana an international conference on the war in the Balkans, at which most prominent Slovene politicians and military experts presented to foreign guests a synthetic, operative-tactical analysis. And at a recently-held scientific meeting of NATO military researchers in Garmisch, where several topical problems of the treaty were discussed, "Slovenia was the only country invited from the territory of Yugoslavia," according to DELO.

Equally prominent presentations of Slovene experts and scientists were two reports which, for the last couple of months, have been attracting attention of many European and even U.S. military circles. Although not quite explicitly, OBRAMBA (June 1993) described a tactical practice from which it is relatively easy to deduce the essence of the as-yet publicly unreleased national **military doctrine and the concept of the development of the armed forces, in which the Navy is mentioned for the first time and put on the same level with other parts of the Army.**

Detailed analysis of the practice "of the maneuvering and regional structure of the territorial defense," held at the end of November last year, entitled "Odpor-92" [Resistance-92], one can see that "the territorial defense became the state army" with several major guidelines of military doctrine of that neighboring country.

In the first phase of their organized military development, the Slovenes opted for a defensive doctrine (all military doctrines in the world, even those of the one-time superpowers, were—"defensive") with prominent active military strategy and tactics. From the Slovene point of view, defense is logical. Militarily inferior to all its neighbors, with a small territory and defense depth, and with limited demographic factors, Slovenia really could not have opted for a different doctrine, strategy, and tactics.

The adopted doctrine was, it seems, tested at "Odpor-92," after which the ministry defined and verified the model of the military doctrine. The framework of national security on the military level was "a maneuvering operative core, smaller in number than previous territorial defenses, but of significantly increased firepower of land forces. Mechanized battalions modeled after the West present a certain force for quick interventions, and the size of the territory which will be defended by such a formation, from one-time 15 square km, has increased three to four times." Air reconnaissance and fire support will be provided by light piston aircraft, but it is still debatable whether that is really enough, even for the defense of such a small country like Slovenia, and whether the lack of power is a real reason for Slovenia to be accepted into NATO.

Navy Without a Fleet

Excited about initial success in defining the doctrine, organizing the Army, and the way of its use, the Ministry of Defense, together with researchers from the national Center for Strategic Studies—after long discussions and the preparation of the Coast Guard Task Force in which there are assault and naval troops, a battery of 90mm guns, and a logistic group—on 14 January 1993, also founded a "Navy commando team," so "the Slovene Army Navy became a reality."

All this indicates that the Slovenes have taken into consideration several circumstances which influenced them to incorporate the Navy into their armed forces. Emphasizing the statement that "the Slovenes are a maritime nation, that numerous documents and ship logs show that their predecessors have for centuries sailed the seas all over the world under foreign flags, so that they are obviously excellent seamen, and that they have a 43km long coast," was a convincing reason for the country to establish the Navy. However, there were also opposing statements. One group advocated the thesis that the Navy is not necessary because the coast can be equally successfully defended from the land, and the counterarguments of others were that "every military uniform—navy or camouflage—is harmful for tourism on the entire coast."

The present Croat-Slovene conflict over the Bay of Piran and opposing opinions about the right to use the sea in the future, might get worse when naval vessels under the Slovene flag start sailing the northern Adriatic Sea. But it is certain that it will not come to that very soon. It may sound unusual, **but the Slovene Navy is (still) without a fleet.**

The task force has only one solid-hull vessel, while the rest are really "tiny" vessels, inflatable dinghies mostly for commandos who are the only mobile force of the Navy. The boat Navy is being trained for quick disembarkation of naval commandos even for bigger distances than necessary for defending some 40km of Slovene coastline. For instance, the only fast boat with plastic bottom combined with rubber tubes, with two "Mercury" outboard engines, each of 147kW (200HP), reaching the speed of 50 knots (92.5km), is, according to Slovene sources, "the fastest vessel from Trieste to Pula." The task force also has a couple of engineer assault boats, inappropriate for sea actions, so due to the imbalance between coastal and naval forces, the Ministry of Defense is trying to get "another of those fast boats" 9m long and 3.7m wide, then at least three original commando boats, and "a larger vessel of dual purpose—for the needs of the naval unit but also for representational purposes of the ministry."

Selection of candidates for commando units is done according to extremely strict criteria, almost according to NATO standards. In the first generation of 60 applicants, the Navy, at the expense of 40,000 Slovene tolars, decided to accept only 13 candidates, and in the second generation, out of a hundred applicants, they accepted only 14. And this is how skillful Alpine Slovene rock climbers become excellent divers and a potential force not only of the Navy but also of the state army for making a modern blow from a distance by means of long-range commando raids.

Still, even with a couple of dozen top commandos, the Navy does not have the ability for tactical, but even less for naval or naval-air operations. Its role will be a purely defensive one—the protection of the coast. However, with the introduction of the "coast-sea" missile system, the range of coastal defense will considerably exceed the fire zone of 90mm guns, so that the Navy with the ground troops in the hinterland and light aircraft, will still be something more than present forces on the sea and on the coast, which is exactly what Ljubljana wants.

The saga about Slovene military power seems naive. But is the newly-born child also not naive and powerless? In time, it will grow into a full-grown, wise man. Slovene military power and its navy will also (probably) grow, and Slovenia might, sooner than other countries of former Yugoslavia, reach its goal—the NATO. The beginning of a harmonious cooperation between Slovenia and NATO indicates that there is interest.

Slovenes Swim the Backstroke

The Slovenian road to NATO, though unusual, seems to be original. Although they want to become a part of NATO because of "the danger of possible demands and attempts to alter unjust and historical borders, ... and further spreading of conflicts in the Balkans," the Slovenes do not use the hackneyed and cloying phrase "area of extreme strategic importance," used by all heads and generals around the world. If they presented to the West their military skills and minds of their experts, is it not enough that NATO started inviting them to its practices and participating in Slovene conferences at which the endless bloody Balkan war is discussed? Until they get the final "yes" from Brussels, the Slovenes are still observing their coast, swimming the backstroke toward NATO.

Defense Minister on Disagreements With Kucan

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[Interview with Defense Minister Janez Jansa by Boris Jez; place and date not given: "In Kucan's Case I Assess Actions More Than Words"]

[Text] *We spoke with Defense Minister Janez Jansa in his office on the eighth floor of the Slovene "Pentagon." The entire building shook from the noise caused by a pneumatic hammer, coming from an unknown direction. We did not ask Jansa whether he was building underground bunkers or whether he was setting up a missile firing range on the roof.*

[Jez] Darko Strajn wrote a few days ago that the Slovene spring had also "sprung up" from the imperative that the Army (then the JLA [Yugoslav People's Army] must not interfere in politics. Now, the Army, especially as far as you are concerned, is supposedly interfering in politics again.

[Jansa] I do not know whether Mr. Strajn is familiar with parliamentary systems in Europe. If he is, then he could not write anything like that, since the defense system here functions exactly as in other parliamentary states. The defense minister is a civilian, and usually in parliamentary systems the members of the government always belong to different parties.

I think that Mr. Strajn also signed one of the demands some time ago, when we were in Yugoslavia, when we demanded that the defense minister should be a civilian. I do not know why it would be different now, since the other alternative is for the minister to be a soldier (as we used to say), a professional, who is only familiar with his own profession. Then, however, he cannot perform the function of civilian control over the Army, since that is also the function of a civilian defense minister.

[Jez] Our impression, however, is that your presence in Slovene politics is substantially greater than could be granted to the defense minister in any comparable state. How do you explain that?

[Jansa] That is not true, of course. I can list many states where it is one of the key positions in the government, and it ranks at the top among the ministries that the parties want most when they put together the government. That is true of the majority of parliamentary states in Europe and defense ministers are usually well known, whereas people do not know many others, since it is obviously a position that deals not only with a problem that would affect a specific segment of society or a specific part of the population, but rather deals with a problem that is everyone's business, i.e., the problem of security.

[Jez] It nevertheless seems that in a way everything in Slovenia revolves around you. We have numerous scandals, from the wiretapping to HIT [expansion not given]. They say that everything starts and ends with you.

[Jansa] Well, perhaps someone among those who were involved in those scandals might like that, but it is not the case. The cause of the scandals is the unclarified past and a system that does not make it possible for things to be resolved continuously. Until this society settles those two things, there will still be scandals that will not have epilogues and will continually be opened up again. We Slovenes already have a considerable number of such unclarified matters, from everything that happened immediately after World War II and for which a commission has now been established to study the postwar massacres, the background of the trial of the group of four and the Slovene spring, and then Elan, HIT, etc., to the fact that an attempt is being made now to create some sort of counterbalancing scandal in connection with weapons.

[Jez] When you mention the unclarified past, it seems that you do not have in mind the past after the NOB [National Liberation Struggle] so much as others. It seems that there are still many mutual grudges, liabilities, and everything else that strains relations. That is why we are witnessing an increasingly worse settling of scores.

[Jansa] Unfortunately, I must say that that view seems rather superficial to me, since if you have read the latest statements by former Elan financial officer Pavle Koder, you can find in them some of the same names that also appear in studying the postwar massacres and everything that happened after the war. These things are very closely connected, because the same people and the same lobbies are involved. Things do not overlap completely, but the genesis is in the same lobby....

[Jez] Is that also your view of the Elan affair?

[Jansa] In principle, my view of all these affairs is the same. Without explaining once again and also sanctioning the legal mechanisms that made undemocratic rule possible from 1945 on, we will, of course, seek in vain answers to some questions that are apparently only current ones and only the result of current events and politics; but that is actually not the case.

[Jez] A few days ago we finally experienced a sort of conclusion to the wiretapping scandal. Now that the affair has been settled, to the extent that it has been, do you feel better or worse? Is it really the end of that affair?

[Jansa] I do not consider it the end. Until it is clear in this country what the highest officials' responsibility is to protect the most sensitive state secrets, the affair will not be concluded. That is still not clear after yesterday's meeting. A dilemma is still being raised as to who acted worse—the one who stole, or the one who exposed the theft!

[Jez] You mentioned the affair of the group of four. If I recall correctly, you stated once that it seemed to you that everything was more or less clarified. In spite of that, it still seems that all sorts of things have been left up in the air.

[Jansa] It has to do with the fact that the majority of the written documentation that could explain the background of the trial of the group of four has probably been destroyed or is at least inaccessible, because it is in the possession of those whom it incriminates, and of course they will not just provide it. That is why the only way to clear this up is to appoint a parliamentary investigative commission, of course with investigative powers, which still have to be regulated by law (but we do not have that law). That is the only way to summon the people who are known (regarding whom there is written testimony or evidence that was already discovered by the parliamentary commission established immediately after the trial); they would have to explain certain things. We would thus slowly arrive at the essence of things. That is the only way. The judicial course, a renewal of all the proceedings, etc., would probably not yield any results, since we were all tried for something completely different from what was really involved.

[Jez] And who then destroyed those documents?

[Jansa] Those whom they incriminate, since those people also had them in their hands....

[Jez] Can you state any specific name, so that we could finally talk "more tangibly," since there are only 2 million of us, and we all know each other, so to speak...?

[Jansa] Well, we all know each other and you also know the same people that I do, and so you can also state the names. It is simply a question of being familiar with how the system functioned at that time, and only naive people can believe that it just happened like that—that an agreement was reached in Belgrade and the affair started. After what has been clarified to date, in fact, it is quite clear that all the highest political officials in Slovenia and the Slovene officials in Belgrade, especially Stane Dolanc and Milan Kucan, knew about our arrests before they happened, and also about all the details connected with this. In the previous Saturday supplement you published an interview with Milan Kucan, in which the president admitted that in those days he was in a position in which he was directly responsible for what would happen to Slovenia and Slovenes. And at that time the State Security Service, which was institutionally directly under the control of the Central Committee of the Slovene LC, jailed four of those Slovenes and handed them over to Yugoslav military repression, which then tried them in the Serbian language in the middle of Ljubljana.

[Jez] Is it also in this light that we can explain your signature on the letter from the six people to the state president?

[Jansa] No, the affair in connection with the group of four has already been clear to me for a long time, and that knowledge did not hinder me from cooperating with some of those people on matters that seemed to me to be nationally important and on which it was necessary to reach a consensus. That was also one of the reasons why the Assembly commission during the second term after 1990 did less than it could have; it was obviously necessary to deal with other things. The issue of a political consensus on the plebiscite was also so sensitive that bringing up these things—including by us, i.e., Demos—would have jeopardized the matter even more, since there were enough explosive mines like that from those who did not support independence. Let me cite just two things: One is the signing of the declaration on rapid unilateral disarmament just three months before the war, and the other is the signing of the petition against public prosecutor Drobnic a few days before the war. That was also aimed at achieving a split within the ruling coalition. In that situation, it is difficult to carry out a national project like independence. We were aware of this, and that is why we did not want to stress some issues. It is now time, however, to clear up this affair, because the same balance of power is still persisting.

[Jez] Does that letter state everything that pertains to your opinion of Kucan and his activity, or is there possibly something else that was not stated?

[Jansa] That letter was not written in order to write about Kucan. I already wrote about him in different articles, in other letters, in my book, etc. In his case I am assessing actions more than words. Among them are ones that I support, and also ones that I do not agree with—you can find both, both in my book and in these letters. That will also remain the case in the future, i.e., if he does things that I think are all right, he has my support; otherwise, he will receive my criticism, just like any other politician. I am not, however, using his tactics, by which he answers questions by primarily praising the critic and pretending to be distressed, while the dirty work of mudslinging is thoroughly performed by others in his media support corps. I myself usually say directly what I think and I do not hide behind others.

[Jez] Your dispute with Kucan is known—at least as the public sees it—to still be associated with the authority to command the Slovene Army. Some people attribute too many powers to you as defense minister, and too many functions that defense ministers otherwise do not have.

[Jansa] I must disappoint you again. It was precisely regarding the unclear aspects in connection with which law applies to appointing the chief of the republic staff—the Law on the Government, or the Law on Defense and Protection—that we thoroughly studied the powers in other parliamentary European states, and I can tell you that in most of those states defense ministers have substantially more authority than I do in Slovenia, since the old Law on Defense and Protection is still in effect, which was adopted before the new constitution, when the republic presidency (and that law is now being transferred to the republic president) even had some powers that belong to parliament in all parliamentary states. The new Law on Defense and Protection will also settle this matter here. This was not a question of my authority, but rather a question of the dilemma of whether the government or the republic president is responsible for appointments. Both laws say that it is at the defense minister's proposal. I was not directly affected by this. In both cases, I make a proposal to one or the other. I consequently respected the agreement that was then reached, primarily between the state president and the prime minister, that the new chief of the republic staff would be appointed by the state president, but with the government's consent.

[Jez] And what are the other powers that defense ministers have in the Western world that you do not have?

[Jansa] In the German system, which is comparable to the Slovene one with respect to the parliamentary system, the role of the president, etc., the defense minister and prime minister, for example, also have the function of commander in chief of the Army, while here the president retains that authority and will under the new law as well. In accordance with the constitution the president will remain the commander in chief, but the law has to delineate his powers and specify things so that they are clear. When we wrote the law (by the way, it is now in government proceedings), we naturally also studied several other constitutional and legal systems (Italian, Austrian, etc.), and made a sort of compromise among the systems that we took partly from Italian legislation and partly from Austrian legislation, and which leave the president more powers than in pure parliamentary states. Thus, what will be in effect under the new law will be approximately similar to what is in effect now, but things will be regulated uniformly and the same thing will not be defined differently in several different laws.

[Jez] What about the so-called general staff? There are things in which defense ministers usually do not interfere, for instance, in purely operational military plans, etc.

[Jansa] Can you name me one parliamentary state in Europe where the defense ministers do not interfere in what the general staff is doing?

[Jez] I am thinking of purely operational matters, military plans, etc.

[Jansa] Look, in all democratic systems the general staffs are integral parts of the Defense Ministry, the defense agency in the government, i.e., state institutions, which have their own functions as such. They have powers which the law particularly specifies, but they are bodies that are part of the ministry and the defense minister is in charge of those bodies. With respect to completely technical matters, the preparation of plans, etc., clearly it is not done by the minister or some official, but rather by experts—soldiers. No one has ever interfered in that, except just before and during the war, when it was necessary to integrate some functions and when the operational leadership of the entire defense was based on a coordinating group that linked some government ministries, some defense functions, and police functions. In this case we were forced to concentrate all our forces in a single front, because there were very few weapons and because we were not conducting just a military resistance, but rather a general resistance to the aggression.

[Jez] In connection with this, why was General Slapar then actually removed? How would you comment on what is being written and said, namely that the "Upper Carniola clique" in the Slovene Army is being undermined by the "Lower Carniola clique"?

[Jansa] Oh, rumors can be started very quickly. With respect to the replacement of Slapar, the former chief of staff, the first proposal—that I should propose a replacement—was made by republic President Kucan in a conversation among Drnovsek, him, and myself. And then I carried out the proposal. The decision, however, was made by the state president with the government's consent. I myself was one of three people involved in that decision.

[Jez] What about the indisputable fact that the number of officers from Lower Carniola in the Slovene Army leadership is nevertheless substantially increasing?

[Jansa] If you look at the structure of the collegium, then you will see that that is not true. Even before, when it was said that there was an Upper Carniola clique there (at least with respect to the ministry or personnel policy, which depended on me), we never accepted anyone in the service because he was from Upper Carniola, but rather because he was capable, because he had sufficient education or rank, or because there was clearly no other solution.

[Jez] We keep talking about the Slovene Army, but the official term is still Territorial Defense [TO]. Is it just a difference in terminology, or is it some sort of "ideological dispute"?

[Jansa] I have always thought that it is more of a difference in terminology. Recently, however—since the proposal for the change became official—I have seen that some people also perceive it as an ideological dispute and oppose renaming it. I must state sincerely that as early as May 1990 (when the maneuvering structure of national defense started to be built, which then took over the name of TO and which naturally also emerged from TO personnel, but not from them alone) we were also formally—the documents on this can be checked—building a Slovene Army and that is also what we called it. We obviously used TO as a term that was not too provocative at that time and which made it possible to carry out certain things within the framework of federal regulations at that time. If we had also decided on changing the name immediately then, that would have been the main thing that they attacked us for, accusing us of secessionism, etc. It was thus just a matter of the name, while the TO essentially grew into the Slovene Army on the basis of two things. The first one was as early as 1990, when it was formed on a national basis and also on the basis of national awareness, since the resistance against the collection of weapons in 1990 was a national resistance, and not a resistance on a party or political basis. In the second place, in a military sense the TO was transformed from a territorial army into a regular army on 15 May 1990, when we summoned the first generation of recruits for military service in accordance with the law passed by the Slovene parliament. Then it was no longer a reserve army, but a regular one. Today it is even an army which has facilities with which it is already almost training an annual contingent of recruits. When we were preparing the law (and even earlier), and the resolution on the national security concept, we looked at how naming was handled throughout the world. Most states name their armed forces in such a way that the national attribute or the name of the state is in front. No one uses the name TO anymore.

[Jez] How do you explain the opposition to the term "Slovene Army"?

[Jansa] That name was opposed by the previous chief of the republic staff, Mr. Slapar, and also the Federation of Officers had a different proposal in comments on the resolution on the national security concept. Some government institutions also tried to block the renaming somehow, even though the matter is actually comical—since when the militia was renamed immediately after the war, there was no problem at all. It was simply renamed from the militia to the Slovene police. And also when Slovene Police Day was celebrated last year, no one rejected it. When we celebrated Slovene Army Day this year, there were a lot of questions about whether it was even legal. Two weeks ago the state president even arranged a Slovene Police Day reception, but when Slovene Army Day was involved, it was questionable, since it was allegedly not an official term.

[Jez] After you, Krkovic also returned his decoration. Does that really mean that the Slovene Army will no longer recognize decorations granted by the republic president—at least during Milan Kucan's term?

[Jansa] Whether he returned the decoration after me or ahead of me could be debated, since even when the decorations were granted many recipients already expressed great misgivings and protests, because of the strange selection and ranking. We spent a long time calming and reassuring those people. Then two decorations were illegally awarded—to Dr. Bavcon and Dr. Pleterski—to whom anyone can grant any sort of decoration for professional work (I will not interfere in that). It is not possible, however, to grant a decoration that is a special one, defined by law as a decoration for a contribution to the state's freedom and independence, to someone who was against that state. And the president is still obliged to answer the key question in our letter: on the basis of what article in the law did he grant those two decorations? In spite of many press conferences and public appearances he has not answered that. That is the key question for the functioning of a law-governed state. I accept everything else—that politics is a matter of different views, etc.—since it has to do with politicians' conduct. With respect to the law, however, the matter is clear: whether there is a real basis for someone's being able to do something, or not!

[Jez] In terms of whom they have been granted too, virtually all the decorations in the world are controversial. Doesn't that mean that with the devaluation of decorations, we will lose one more moral institution of Slovene statehood?

[Jansa] You are confusing two things. One is a judgment of whether someone deserves some rank, whether he deserves a certain decoration or not. The other is the completely clear fact, which is respected everywhere in the world, that you cannot give decorations—for research or success in health care, for instance—to the best driver at some enterprise. That is simply ruled out. In this case that was precisely what was involved. Everything else, whether someone has received too little or too much (whether the police received more decorations than the Army), is obviously a matter of different subjective views. I have already said that there were major criticisms, because some people did not receive awards, but were key people in the maneuvering structure for national defense—Inspector Beznik, for instance. We also grant various awards, and someone is always forgotten. We have never, however, granted the Maister medal, for instance, to someone who has achieved a good result in throwing the javelin or has even lost.

[Jez] We already spoke initially about your alleged presence in all aspects of Slovene politics. You are thus, for instance, also linked with the collapse of the VIS [Security-Information Service] or SOVA [Slovene Intelligence-Security Agency]; arguments in favor of that assertion could be found, for example, in the fact that recently some people have "deserted" to your intelligence service.

[Jansa] There are some people in our service who were previously in the Ministry of Internal Affairs. That, however, mostly had to do with the fact that VIS formerly existed, and our service did not. When I took over, our ministry only had active officers in the former JLA in that service, whom we soon got rid of after brief proceedings. It was necessary to set that service up again, considering the fact that just before the war it was a service that consisted of exactly four people. Even today the staffing of this service is 10 times less than the service that is operating as SOVA (the former VIS). Of course, this service only has legal authority in the military or defense area. The law also distinguishes precisely between the two of them, so we could not talk about the traditional competition between two intelligence service, because the area of operation has been divided up. What applies to the Army is the Army's business, and what applies to civilian society is the civilian service's business. That is also the case in most other states. With respect to the general question—in connection with VIS—my position has always been what it was in 1990, for instance. I think that

Slovenia made a big mistake, because it did not disband what was then the State Security Service and form a new one. Until it does that, things will not work. It was a service that was established according to family principles, on the basis of acquaintances, and primarily on the basis of political personnel policy. If you have replaced one chief, you have certainly not done enough. Until there is a reorganization the prime minister will never know whether he can trust the reports coming from that service (which is also directly responsible to him). Even if a new chief of that service comes, he will not know whether he can trust those who have already been there for 20 years and who have various ties. It is not any sort of scientific discipline in which one would need personnel who do not exist anywhere. Slovenia has enough highly educated people who know how to think logically, with different backgrounds, and the service can be staffed with them all over again, with the proviso that technical and operational personnel who never dealt with political matters can also be employed again, of course (as has also been done in some other East European countries). Until that happens, there will always be some Jeglic who will write some sort of letter and create a scandal on instructions or out of greed. I still think that it should be done.

[Jez] It is obvious that VIS is collapsing. At least officially, no new civilian intelligence service exists. From the standpoint of Slovenia's security, how do you assess the consequences of that service's collapse?

[Jansa] I am not acquainted with any detailed results from that service since the war. Of course, I received the reports that dealt more with general security matters that affect the state, or reports that dealt with the military sphere, which that service was obligated to provide to us, just as we were obligated to provide to Internal Affairs everything that dealt with the civilian sphere, and was discovered by chance. That is why it would be hard for me to tell you how important that service was to the state overall. That has to be stated by those who received all the reports. Of course, I am firmly convinced that what is important is not just whether we have a service or not, but rather it is very important what it is like. If it is like what VIS (or SOVA) has already been for some time, then it is not much use. I should also say that regardless of my position that the service should have been disbanded, a certain injustice has also been done to some people in it, those who clearly sided with the patriotic side just before the war and during it. There were also people who previously perhaps did purely political work or dealt with internal issues, but then sided with this state, and also many people risked a great deal in various operations, but then did not receive any public praise or were even criticized. (The operation against KOS [military counterintelligence service] agents in Ljubljana, for instance, was like that; no one from that service received any sort of state award or decoration, but only criticism, even from the highest level.) There were certainly some people in that service who would deserve the medal of freedom substantially more than many people who did receive it, not to mention the two people because of whom we protested. In this way—after the mistake was made and there was no reorganization—we also missed an opportunity for positive selection, since in a year they were all like former UDBA [State Security Adminstration] agents again, and they were not publicly promoted or rewarded. This missed an opportunity to reorganize the service organically, without cutting, on the basis of positive selection. Let me emphasize once again—until it happens, scandals can always occur. It is also symptomatic that many of the personnel who were administratively retired, the most prominent ones, established various tax collection agencies and detective agencies immediately after the 1990 elections, and through ties with those who knew them well and were still in the VIS or in Internal Affairs and other institutions, could naturally do whatever they wanted without any sort of control. That is approximately still the case today, since the law that will regulate this is still not in effect.

[Jez] Thus, there will be no great harm if that service collapses....

[Jansa] There will be if a serious service is not set up....

[Jez] A vacuum will thus occur, which will sooner or later be filled by someone. Since at least officially the only intelligence service is still yours, at the Defense Ministry, it naturally seems logical for your service to try to fill the gap that has occurred.

[Jansa] It cannot do that for two reasons: in the first place, because it has no legal authority, and in the second place, even if it wanted to violate its legal authority, it does not have the personnel. We have one person who is responsible for a regional headquarters that covers several municipalities and a large number of units, etc. He cannot deal with other things if he does his job. There are 10 times fewer people than in the VIS. We are interested, if anyone is, in having the service responsible for the civilian area be seriously established and start to function. I can cite a case in which we are very interested, even directly. That is the case of the agent network of the former JLA Security Service. That network remained. In many cases, it is even being set up again, since many old personnel are returning and obtaining citizenship here, or even already had it earlier and have now just come back. Of course, in our operational work we are encountering many indications and information related to the reestablishment of that network. With respect to counterintelligence work, however, the law prohibits us from doing anything, because they are now formally civilians. We can only inform SOVA or the Ministry of Internal Affairs about it. I must say, however, that in such cases everything usually ends with our sending a notification. Then nothing happens....

[Jez] How do you explain the constant interest of the Belgrade agency in Slovenia, even though our state seems to be separated once and for all from any sort of new Yugoslav variant?

[Jansa] It is not just a matter of interest, but also of the objective possibilities that exist. There are many people here who were previously involved in that and are also themselves a driving force behind this activity, autonomously, even if there are no direct instructions from

Belgrade. On the other hand, however, Slovenia is certainly a point that is very heavily covered by that network, since it is virtually in Western Europe—and also very close to other European centers—and of course such a base is also welcome with respect to interest in other states, not just Slovenia. At the same time, however, through the fact that in a certain state there are foreign representations, tourists, etc., they can collect various information regarding which one would say at first glance that it is not even interesting.

[Jez] Since we are talking about Belgrade, the archives there are supposed to contain an extremely large amount of material that could, in one way or another, discredit many Slovene politicians, including you.

[Jansa] I have never been a Slovene politician in Belgrade, so I am not afraid of any such discrediting.

[Jez] Many people in Slovenia, however, are probably interested in having those archives never see the light of day....

[Jansa] All those who were in those services in Belgrade can certainly be afraid or have misgivings, since without any sort of counterintelligence protection, they were left to the mercy of both Serbian secret services and the military Security Service there. For example, cases are known in which the Belgrade newspapers, during the time that Dr. Drnovsek was still a member of the Presidency, were already publishing some "findings" by intelligence services about how he was a CIA agent, etc. These things thus exist. The question, however, is where there is a political "load" and a political assessment of individuals, and where there are actually some sort of compromising materials, even concerning these politicians as individuals. By the way, up until 1990 the State Security Service's material was also sent to Belgrade from Slovenia. For that reason as well this area should be regulated here by law, as Germany did, for instance, after scandals started to occur in connection with the archives of the Stasi service. The German parliament passed a law that I read recently and that solves many things quite sensibly. Slovenia will have to adopt something similar sooner or later; many other East European countries are also doing it now. That is one of the legacies of the previous system that simply cannot be ignored, and it is in society's interest to have it regulated in such a way that there is not too much damage.

[Jez] Thus, one should simply overlook some things in the name of the future.

[Jansa] Certainly, for instance, I am against exposing the archives or dossiers of those who did not have any political positions or those who were victims of the system. For instance, the Security Service acquired many collaborators during their military service, when they were left to the mercy of pressures, suffering, and even physical torture, threats of court-martial, imprisonment, etc. I know a lot of such cases; young men themselves had to write reports about their colleagues in the company, etc. That is something for which it is quite natural to demand that it be resolved discreetly. It is another question when the activities of prominent individuals in the previous and present system are involved; then it has different dimensions. Of course, every individual who has collaboration with the former UDBA or State Security on his conscience should have an opportunity to decide himself whether he will confront it, like Miha Kozinc, for example—he publicly defended himself against public criticism and tried to clarify things—or whether he will demand the material's destruction, but in exchange for that will withdraw from his position, without a fuss.

[Jez] Some people think that you are the best and most expensively dressed Slovene. MLADINA even published a sort of price list of your suits and shoes. Are the figures cited correct?

[Jansa] If you look at how I am dressed, then you can determine that things are not as they are depicted there—unfortunately.

Increased Drug Addiction Reported

93BA1239A Ljubljana DNEVNIK in Slovene 8 Jul 93 p 18

[Article by (pt): "First Victim of Heroin"]

[Text] Skopje, 8 Jul—Isamedim Elezi, a 33-year-old drug addict, is the first victim of heroin in Macedonia. On Sunday [4 July], he was found at home by his parents with a needle in his hands. The cause of death was an overdose of heroin.

Heroin, a highly valued drug in the West, has also become very popular in Macedonia in recent months. Until recently, drug users in Skopje and elsewhere only enjoyed opium, marijuana, and hashish, but now they have obtained harder drugs, cocaine and primarily heroin, which is on sale in the Macedonian market for 40 to 80 marks per gram. More than 95 percent of the heroin dealers and users are Albanians, and Macedonians control the trafficking of milder drugs. Until the introduction of the sanctions against the Federal Republic of Yugoslavia, Macedonia was only a transit crossroads for Balkan drug trafficking, but now a lot of heroin, opium, hashish, and marijuana also remains here. That is also confirmed by police reports. In the first five months of this year, they captured 12 smuggling groups and confiscated 24 kg of heroin, 11 kg of marijuana, and 2 kg of opium from them. Last year the catch was larger: 38 kg of heroin, 22 kg of opium, 12 kg of marijuana, and a considerable amount of medicines with a narcotic effect. There are 436 drug users officially registered in Macedonia, but it is unofficially said that there are more than 2,000 of them. Most of them are 16 to 25 years old.

Federal

Blockade of Danube Continues Near Belgrade

LD0908192193 Belgrade TANJUG in English 1900 GMT 9 Aug 93

[Text] Belgrade, Aug 9 (TANJUG)—The Danube river will again be blocked near Belgrade on Monday [9 August], after a four-day interruption, organizers of the action "fight a blockade by another blockade" told a news conference on Monday.

The action, organized by the nongovernmental and nonparty associations "The White Rose" and "The New Byzantium" in protest against U.N. sanctions against the F.R. Yugoslavia and the international blockade of the Danube, lasted between July 18 and August 5.

As part of U.N. sanctions, imposed in May last year and tightened in April this year, Yugoslav ships are banned from the Danube waters others than Yugoslav.

Representative of the two associations said the action was suspended due to misunderstandings with the sailors' trade union. But the differences were later settled and the sailors will voluntarily block the Danube with rented ships and private boats, said President of "The White Rose" Radomir Smiljanic.

He described the action as a sincere popular revolt against unjust U.N. sanctions which, he said, were an unprecedented racist act aimed at closing the Serbian people in another Auschwitz.

AFP Views Economic, Medical Effects of Sanctions

AU1008072093 Paris AFP in English 0221 GMT 10 Aug 93

[by Victoria Stegic]

[Text] Belgrade, Aug 10 (AFP)—The war in Bosnia-Herzegovina and United Nations sanctions have combined to reduce Serbia and Montenegro—the rump Yugoslavia—to a nation of impoverished millionaires.

Housewives need to go armed with wads of banknotes—at least 100 million dinars—to buy vegetables at the market. The sum represents a little less than four German marks, or just over two dollars on the black market. That may seem like pocket money to some, but many Yugoslavs dream of having such amounts to spend.

Teachers' July salaries in Belgrade were between 280 and 300 million dinars—about 10 or 11 marks—according to a teacher of English, Alexander Nedeljkovic.

Meanwhile pensioners get barely more than 100 million dinars a month.

Statisticians quoted by the weekly Ekonomska Politika estimate that by the end of the year inflation could reach the incredible peak of 61 billion percent if no action is taken to tackle it.

In less than a month the Yugoslav National Bank has been forced to issue 50- and 100 million-dinar banknotes, and officials have said a 500 million-dinar note will be issued soon.

The vagaries of the war in Bosnia-Herzegovina and social problems occupy the headlines of Yugoslav newspapers, but the connection between cause and effect is never established.

The economic sanctions "unjustly" imposed on Serbia and Montenegro because of Belgrade's alleged involvement in the Bosnian war are always blamed for the sharp decline in living standards.

A summary of the dire impact of two years of war on Yugoslavia, published in the independent daily Borba, makes grim reading: industrial production down by one third, air, road and rail transport virtually paralysed, an inflation rate that can hardly be calculated, unemployment doubled, real incomes reduced to the bare minimum, and hard currency savings plundered by the state.

Meanwhile a report published this week by the Migration Commission of the Council of Europe says the 600,000 refugees in Serbia and Montenegro have been especially hard-hit by sanctions, with 95 percent of refugee families surviving on average monthly incomes of 10-15 marks.

Only one litre of milk a day can be bought with that amount, the report says. It was compiled by a parliamentary delegation which visited Serbia, Montenegro and Macedonia from July 26 to August 3.

The situation in many Yugoslav hospitals is desperate, the report says, with patients obliged to bring their own medicines, anaesthetics and dressings with them, while mental patients are frequently tied up for lack of tranquillisers.

Official figures show an increase in the infant mortality rate, up from 11.1 to 12.9 per thousand of the population in 1992, a 500 percent increase in cardio-vascular ailments and a 124 percent rise in cases of tuberculosis.

For each Yugoslav lucky enough to have a job there are 18 others who need assistance, says sociologist Dragan Radulovic. He is especially worried about the disappearance of the middle class in Yugoslavia, which he says is an "important stabilising factor" in any society.

Following a recent explosion in prices the federal government ordered producers of essential goods to bring their prices down to a "more appropriate" level.

The result: empty shelves. Flour, sugar, butter, cooking oil are nowhere to be seen. At dawn each day bakeries are besieged, and fights are common, since sales are limited to one loaf of bread per person.

Belgrade Professor of Medicine Borivoj Vracaric says he expects the first signs of malnutrition to appear by the end of the year, noting that about 60 percent of the urban population is underfed.

Commentary on Saudi, German Influence on U.S. Policy

AU1008053793 Belgrade VECERNJE NOVOSTI in Serbo-Croatian 5 Aug 93 p 2

[Commentary by Miroljub Jevtic: "Game for Allies"]

[Text] Despite the fact that the U.S. noose has been loosened after the criticism delivered by the allies, there still remains a threat hanging over the republic of Srpska, and not only over it, like the Sword of Damocles.

Any reasonable person may wonder why the United States has chosen Serbs as its target, and whether there exists any logic at all. The U.S. attitude makes sense, to be sure. The United States, being the only great power now, may be compared to a pike that is facing a somewhat smaller fish. If the pike swallows it, it may choke over it, but if it does not, its role as ruler of the river will be called into question. In order more easily to accomplish a task that goes beyond its real abilities, the United States has to rely upon regional powers whose support is decisive in preserving U.S. respectability and power. However, such support has a price.

Only in this context can the attitude of Washington toward the Yugoslav crisis be understood. In all the attempts to bring the crisis in our former and present fatherland to an end, two important U.S. allies are vitally concerned: Germany, and Saudi Arabia, through which the United States is trying to control the Islamic world. The goal of Saudi Arabia is to have former Bosnia-Herzegovina as its gateway to Europe. The United States finds such an aspiration quite unacceptable, but it is not able to state that openly and frankly. For that reason, whenever the Muslims in former Bosnia-Herzegovina (for whom read: Saudi Arabia) have troubles, there comes pressure, both verbal and financial, upon those who are the main culprits for thwarting Islam's goals.

Such a policy is all the more profitable today, since other great U.S. allies oppose the plans of Alija Izetbegovic. So, President Clinton has no problems with threatening Serbs in such a way that will please his "Muslim friends", while forsaking action whenever other allies prevent him from taking it by using institutionalized mechanisms in the Security Council, such as the right to veto.

So in that way one kills two birds with one stone. The expectations of Saudi Arabia are fulfilled, at least temporarily, as well as those of Europe, which does not want a Muslim state in it.

Unfortunately, that game will have to end one day, since one of the allies will feel fooled, because of the following: If an integral and Islamic Bosnia-Herzegovina is not accomplished, the Saudi Arabians will be dissatisfied. On the other hand, if the war continues according to the Muslims' plans, those Western countries whose UNPROFOR [UN Protection Forces] soldiers are getting killed in Bosnia-Herzegovina every day, will be incensed. Precisely for those reasons, the military involvement of the greatest world power cannot be ruled out.

Data on Hard Currency in Circulation

93BA1299C Belgrade POLITIKA in Serbo-Croatian 18 Jul 93 p 9

[Article by Biserka Dumic: "How Much Foreign Exchange Is in Circulation?"]

[Text] The German mark, whose value has been rising dizzily with every passing day, is undoubtedly replacing the national currency more and more. And while inflation is daily devaluing the dinar by 20 percent, there is an ever greater hunger for German bank notes. But, unfortunately, there are fewer and fewer of them in the country....

How many marks are in circulation in this impoverished country from which nothing can be exported as from an airtight box because of the sanctions? No one, of course, is giving a reliable and accurate answer to this question, of course, because it simply cannot be made. From what we were told in the Association of Yugoslav Banks, this is the same as if we were to answer the question of how many ants there are in Belgrade.

Nevertheless, what has remained in the country after a year and a half of the blockade and after two robberies of Yugoslav citizens: in the government banks and then in the private banks? We already know how much foreign exchange guaranteed by the government was taken prisoner and spent long ago: more than $3 billion. According to an estimate of certain bankers, somewhere around 1 billion marks [DM] remained with Dafina, Jezda, and certain savings banks.

Reserves Below the Red Line

It is, of course, quite an arbitrary estimate as to how much hard currency is being hidden in the mattress. A large number of those familiar with the economic situation in the country believe that our people have put away about $2 billion in reserves at home. As for the state reserves, which are a secret anyway, it is certain that they have dropped below the red line and are shrinking more and more because of the importation of petroleum and drugs.

"It is really difficult to estimate how many marks are in circulation when there are people who themselves do not know how much money they have at home. At the same time, some of the savings have been drained off abroad during the sanctions. But the absolute amount of marks in circulation is less important than what can be expected from that money and what its effect is," says Dr. Predrag Jovanovic Gavrilovic, professor and dean of the School of Economics at Belgrade University.

He is particularly disturbed by the ever greater outflow of foreign exchange reserves abroad; he supposes that a minimum of $2 billion have "leaked out," thereby threatening the importation of important products.

"The purpose of the sanctions is to choke the economy. The West is not controlling imports all that much, because the more we import, the more foreign exchange goes out, which impoverishes the economy and diminishes the chances for survival," adds Professor Jovanovic Gavrilovic.

Some of the foreign exchange, it is certain, is not leaving the country, but is passing from hand to hand. The only trouble is that it is moving from the hands of the poor, who are selling DM10 or DM20 at a time to survive for the month, into the hands of those who are getting richer and richer. Professor Jovanovic doubts, then, that more than DM700 to DM800 million are circulating within the country. The maximum, in his arbitrary estimate, would be in the vicinity of DM1 billion.

If these marks, 800 million of them say, were held in a German bank, they would earn an interest of about DM64 million a year. This way, while on the one hand a great many people are sinking into poverty, the others are accumulating wealth overnight and then carrying foreign exchange in suitcases to a safe place outside the country. To be sure, there are the new rich who are, of course, buying durable goods here: One 28-year-old Belgrade man bought a house for DM1 million the other day as though it were a joke!

The highest inflation in the world has had the effect that nearly 90 percent of the transactions take place in foreign currencies. However, whereas two years ago the buying and selling was done on the street, in Belgrade alone, according to one dealer, the turnover was DM500 million a day, now only DM1 million change hands in the capital, and only some 50,000 of that on the street! There is no cash on the street, because the money is mainly in giro accounts. That is why the difference now between street money and account money is so great, whereas earlier it was less than 5 percent.

The Hue and Cry Against the Dealers

But there are no marks in the street either. And there is a constant hue and cry against the dealers, as if everything would be worked out if they were arrested. This is in fact confirmed by the words of Nikola Sainovic, prime minister, who in connection with the riddle of where the money has gone from the primary issue for wheat said: "There is not enough on the street to buy DM250,000."

The foreign exchange, then, is no longer on the street, but in savings banks, banks, firms, and in the hands of the new rich. Those who previously were the largest street dealers are now working in their own savings banks or in firms and elegantly turning over money through giro accounts. The savings bank, say, buys DM20 from an individual for 15 million, but does not pay him immediately, but the next day. That same day, he sells those marks to some firm at 20 million, but takes them by the throat and makes them pay immediately, and the difference, it is clear, is what he earns, explains a former dealer who has also opened a savings bank.

Some 20 of the strongest savings banks are turning over most of the money, but shoulder to shoulder with them are the commercial banks, which are getting dinars back from loans which they hastily turn into foreign exchange, and then in a day or two they earn money with them when they sell them. In the assessment of Zoran Kacar, owner of the Interplast Trejd Bank, the savings bank can turn over between DM50,000 and DM100,000 a day, and all the savings banks in the country about DM5 million.

It seems there is no more lucrative job in the world at the moment than the diverse monetary transactions which are the hit of the business season in our country. In just one day, the contortionists who work with paper easily earn thousands of marks which those who work for a salary can only dream of seeing in their life. For them, even DM100 is something imaginary.

"There is no country which in such economic misery has more financial organizations than in Yugoslavia, and they number more than 1,500. What can they do but speculative transactions. Now they are shutting down. However, the government has not drawn up a consistent stabilization program, which is why inflation will kill us, and the reason is the large primary issue and the deficit in the government treasury, which is being made up by printing money," says Jovan Petrovic, director of the research center in the National Bank of Yugoslavia.

The Largest Amount of Foreign Exchange in Kosovo

Be that as it may, there is less and less foreign exchange in the country. There are no imports, and those who manage to export something illegally keep the marks for themselves. At one time, there was a good inflow of foreign exchange from those whose retirement checks were denominated in foreign currency; there are about 58,000 of them. However, these receipts of foreign exchange are having trouble reaching the former guestworkers because of the blockade. According to certain surveys, every year about DM460,000 flow into our country from abroad as remittances from relatives, parents, and friends. Some foreign exchange also comes into the country from border areas, because now goods are cheaper here for Hungarians, Bulgarians, and even Romanians. Until recently, it was the other way about.

Those familiar with the black market for foreign exchange say that the largest amount of foreign exchange is in Kosovo. Through the Skipetar lobby, which earns very large sums in the outside world, through the arms and drug trade and other ways, marks and dollars are arriving in the south and from there they move toward Nis, Pozarevac, Belgrade, Subotica.... This is one of the reasons why foreign exchange is cheapest in the south and most expensive in the north of the country. Those who buy and sell collect a good price for the trip.

For production to reach the 1989 level, provided, of course, the sanctions are lifted, it will take all of $10 billion, it was recently announced by Tomislav Simovic, federal minister for the economy. That amount of foreign exchange, then, would be needed just to get the flywheel of recovery turning. And for that amount of dollars to come into the country, a great deal needs to be exported. Eh, if only we could print foreign currencies instead of dinars, as one dealer said, we would not have to chase them so hard. After all, this way everything is reckoned in marks....

The war and the sanctions are a godsend for the black marketeers. In the general chaos, inflation also suits the bankers, but it seems to suit the people in power as well. It obviously does not bother them at all that we are printing immense quantities of dinars, that there is less and less foreign exchange, and that the mark is getting more and more expensive. On the contrary.

Belgrade Economy 'Has Come to a Halt'

93BA1260A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 12 Jul 93 pp 12-13

[Article by S.P.: "Belgrade: The Return of the Provincial Town"]

[Text] *The federal and republic capital, at least in terms of population, represents almost one-third of the larger federal unit or one-fourth of the newly composed state. With no particular excitement in the media, a population of that size has been threatened that this winter its dwellings will not be heated even to 5 degrees Celsius, they are recommended to obtain coal and wood and stick stovepipes through the windows, and not only the parents, but probably the children as well will be taking mandatory vacation. The economy has come to a halt, municipal services and utilities have all but done so. The statistics show that considerably more young and educated people have left Belgrade for abroad than is their share in the capital's total population, but also that more refugees have moved in than Belgrade is "entitled to." Even though the results in various elections continue to be essentially different (for which some of the opposition opstinas are paying dearly), the project to "Belgradize" Serbia, which was announced at one time, is taking place in the opposite direction. That process will be quite near completion if next winter, following the recommendation of the government, Belgraders go into the country, to stay with relatives, so that they can keep warm. Probably the only ones staying in Belgrade will be those who, as Dusko Radovic has been describing the vacation season, were here even before the war.*

A Capital Without Industry

The dreams of the local environmentalists and the Greens have been realized. Belgrade has become one of the European capitals with the highest environmental quality, shoulder to shoulder with, say, Rome or London. But while Rome arrived at quality air and a healthy environment by never letting industry within its limits, London had to travel the painful road of first polluting it and then cleaning it up, thanks, certainly to the profits the "dirty" industry realized. Belgrade, quite certainly through its own merit, has come into possession of a new environmental formula: It has simply destroyed a sizable portion of its own industry and what went with it, and it is well on the way to killing off the rest and thus becoming not only an environmental island, but an empty island as well.

The accelerated trend of the Belgrade environmental cleanup has paralyzed the trend of the decline of industrial output and began considerably before the Security Council sanctions were applied, but also before the disintegration of the unified market of the former Yugoslavia. This is best shown by the statistics on the decline of output over the last five years:

Period	Index
1989/88	97.7
1990/89	90.8
1991/90	90.6
1992/91	81.9
1993/92 (Jan-Apr)	70.6

As for the condition of local industry, however, things will rapidly deteriorate the very next time the statistics are worked up because of the tightening of the sanctions in May, which has hurt even those increasingly rare firms which somehow found a way of selling their goods outside the territory of the present Yugoslavia. Producers of the most expensive and technologically most sophisticated products and exporters were hurt worst by the disintegration of Yugoslavia, then by the loss of East European markets, and finally by introduction of the sanctions. Thus, producers of transportation equipment have had a 76-percent drop in output during the first eight months of this year, the textile and leather footwear industries have shown a drop between 64 and 74 percent, metal manufacturing 60 percent, machinebuilding 57 percent, and so on. Only producers of coal and lumber have had increases in output of 12 and 16 percent, respectively, in the first months of this year.

Utilization of capacity had dropped to below one-fourth in most Belgrade firms even before the tightening of the sanctions in May, and there is an ever greater number of those whose workers are on mandatory leave (as many as 80 percent of the employed labor force). There is an additional problem in the fact that inventories of finished products are building up as production is cut back, on the average this increase is 8 percent, while in machinebuilding it goes to an enormous 203 percent, it is 51 percent in the production of power machines and electrical devices, 28 percent for chemical products, 20 percent for the building materials industry, etc. The above-average growth of inventories could also be a consequence of primary note issue being used for production for which there is no customer at present, and equally because of the ever smaller opportunities to export and the increasingly weak domestic demand.

The bad "blood picture" of industry is accompanied, as both consequence and cause, by a withering of the flows of transportation and trade. Even last year the volume of traffic was down 40 percent for freight and 60 percent for passengers from the previous year, with a very rapid drop at the beginning of this year.

Belgrade firms engaged in maritime transportation have shut down entirely, a sizable portion of the fleet has been sold off, and key personnel have already left for foreign companies. River transportation has reduced its activity to carrying gravel and sand, while the volume of activity in air transportation is being maintained at 3 percent. The drop in the volume of traffic has been somewhat slower in the highway and rail sectors, where it ranges at about half of last year. Nor has help come from the big ideas about the electrification of the railroads; so far, the Belgrade-Pancevo line has been electrified, with great pomp and ceremony in the media and an unknown economic impact. Although they are not covered by the tight sanctions, PTT services and telecommunications have significant problems because the investments in modernization which were under way have been halted.

In Belgrade's trade sector, under the sanctions, the rate of turnover has been improving, but the volume of sales has been dropping, and the trend is very disturbing: The drop in retail sales was 10 percent in January and 48 percent in March—all of this, of course, relative to the previous month. It is a more than eloquent fact that the sale of all foodstuffs and agricultural products except bread is also dropping. It is estimated that the drop in the sales of flour, oil, and sugar is caused by shortages or the selling of these articles through illegal channels. One particular feature of Belgrade is the increase in the number of persons employed in noneconomic activities, while the drop of employment in the economy is quite understandable. Belgrade's total employed labor force was 564,105 at the end of March.

That is how matters stand with the Belgrade economy on the average. Averages, especially statistical averages, however, are often deceptive. More precisely, they are unable to give the qualitative side of the problem, which leaves room for irresponsible politicians and bureaucrats to make inaccurate assessments of the situation and the future. the most dangerous in this regard are those who advocate the already notorious program of substitution, which leads the entire economy and the entire country into voluntary isolation and technological retrogression. Those chatterboxes will often argue that DMB of Rakovica, for example, organized the production of 300 parts or products in a short time, or that IPM has managed to produce a fuel pump for engines, but it will pass over in silence that DMB has in the meantime definitively lost a contract with Lombardini for an annual delivery of 100,000 small engines; then that every form of work with FIAT has been entirely stopped, with the danger of its being terminated for good. Nor will they say that those fuel pumps, whose production was organized, have not spent a single second on the test stand, and no one, neither their designers nor the skilled workmen who made them, know what will happen to them when they are installed in engines, and the engines installed in various combines, tractors, and so on. It is also true that IMR of Rakovica has its own off-road vehicle (made, incidentally, before the sanctions and in the period of the former Yugoslavia), but it is also true that no one who has the money is going to invest in equipping the factory in which that vehicle would be made. And that is how it is going to be as long as Belgrade's technological, trade, and political isolation continues.

Serbia

Dismissal of Belgrade Socialist Leader Discussed

93BA1299B Belgrade POLITIKA in Serbo-Croatian 18 Jul 93 p 8

[Article by Dj.M. and R.R.: "Branka Jesic Is Acting Chairman"]

[Text] Nebojsa Covic has been dismissed from the post of chairman of the Main Committee of the Belgrade City Organization of the SPS [Socialist Party of Serbia], and Branka Jesic has temporarily taken over that post at the head of the Belgrade Socialists until someone new is elected.

Covic was dismissed from his position in a meeting of the Main Committee of the Belgrade SPS, which began the night before last in the early evening hours and ended yesterday at 0100 hours. A meeting of the Executive Committee of the Main Committee of the Belgrade SPS was held first.

In addition to the decision dismissing Covic and installing Branka Jesic as acting chairman, it was also decided to immediately undertake to implement regular procedure under the bylaws and operating procedure in the SPS for election of a new chairman.

Conflict Between Belgrade and the Republic

The rules say that only a member of the Main Committee of the city organization can be the chairman of the Belgrade SPS, but this still does not mean that the future leader of the Belgrade Socialists will be elected from the ranks of the present members of the Main Committee. Recently, that is, several positions in that body were made vacant, and it is possible that certain other members will be replaced at their own request, which would broaden the range of candidates for the post Cosic held previously even to certain "better-known names" than those who are present members of the Main Committee. In any case, the procedure presupposes nomination and votes in opstina organizations of the Belgrade SPS and a secret vote in the city Main Committee.

The dismissal of Nebojsa Covic itself, according to unofficial sources, is related to the conflict between Belgrade and Serbia over the money needed to keep the city operating. In Belgrade, they believe that various taxes are taking much more money away from the capital to the republic than is coming back.

According to other rumors, the thesis concerning this conflict is broadened even more. That is, there are unofficial assertions that the recent reconstruction of Nikola Sainovic's cabinet is most directly related to Belgrade's pressure for the republic to behave more efficiently. Along with all of that there is the report that at the time of Nikola Sainovic's election, Nebojsa Covic was one of the candidates for prime minister of Serbia.

Differentiation Into the Competent and Incompetent

Covic's strength is also being measured by the fact that he headed the election slate of Socialists for Belgrade in the election last December and that "Number Two" on that list was Zoran Lilic, now the president of the FRY. Covic, however, is a person so constituted that he has been taking independent political steps (the independent election campaign of the Belgrade Socialists, for example).

At the very top of the Belgrade Socialists people acknowledge unofficially that there is a conflict within the SPS, but not about ideology or program, but in terms of a "differentiation into the competent and incompetent." Such conflicts, however, make it necessary for the incompetent to cover up the reasons for the difference, and that is why they are insisting on bizarre things. That is the interpretation, that is, of the rumors which some Socialists are circulating on the street to the effect "that Covic had privatized the FMP [Metal Product Factory], that he had entered into shady deals with some Bosnian steel sheet or over the house he is building with Zivan Mihajlovic, known as Zika Mustikla [Zika with a cigarette holder]."

Some of the nominations made public yesterday in a Belgrade daily follow the same line. According to the sources of that newspaper, Milutin Cerovic, director of the Hotel Metropol, is supposed to take Covic's place.

The question is whether the dismissal of Nebojsa Covic from the post of chairman of the Main Committee of the Belgrade Socialists signifies his political fall or something quite different? Freed of the ballast of one of several party positions, as prime minister of Belgrade he can now act much more freely in battles with the republic over money.

In all these happenings Nebojsa Covic himself has not wanted to make any comment whatsoever. Asked why he did not want to use POLITIKA's column to say something for himself, and warned that perhaps he would not have another occasion to go public, he said that they have by no means seen the last of him and that he will have something to say when the time comes. Perhaps, but only when he comes back from the annual vacation that he went on yesterday.

Montenegro

Agriculture Minister Involved in Illegal Deals

93BA1294C Belgrade POLITIKA in Serbo-Croatian 18 Jul 93 p 7

[Article by D. Becirovic: "A Ministerial Affair in Montenegro: Branko Abramovic Suspected of Plundering"]

[Text] *The Montengrin police have brought criminal charges against the ministry of agriculture on suspicion of three criminal acts and damages of 33 million marks [DM] inflicted on the Republic.*

Podgorica, 17 July. Yesterday we reported that there are indications that the Montenegrin minister Branko Abramovic is already a former minister, and today this news was confirmed by the Government of Montenegro and the Ministry of Internal Affairs.

As the Ministry of Internal Affairs of Montenegro reports, the minister for agriculture, forestry, and waterpower engineering in the Government of Montenegro, Branko Abramovic, caused damages to this republic of DM33 million, calculated according to the black market rate on the day that the criminal act was committed. In a MIP [Ministry of Foreign Affairs] report, released to the public today, it says that the Ministry implemented extensive operative actions and criminalistic processing and submitted criminal charges yesterday to the Chief Public Prosecutor in Podgorica against minister Branko Abramovic. Although the Montenegrin MUP [Ministry of Internal Affairs] does not cite this, the criminal operations that Abramovic is suspected of committing are of such a nature that the minister has already been arrested.

The police, in the criminal charges submitted, indicated that minister Abramovic committed three criminal acts: plundering, abuse of his official position, and illegal business.

The charges state that Abramovic abused his official position, misleading his fellow representatives in the Cooperative Alliance, and that he is the responsible party in the "Kooperacija-Podgorica" DP [Socio-Economic Development Plan], as well as the responsible party for the acquisition of 2,000 tons of chemical fertilizer necessary for the spring planting. He ordered the acquisition of the fertilizer through a middleman, the private enterprise "Ekspoars" in Subotica, at higher prices than factory prices, although at that time the fertilizer could be obtained directly from the producer—at factory prices. The minister thereby inflicted damages on Montenegro in the amount of 2,015,000 dinars, or DM33 million at the black market rate then in effect. Thus, he made possible the procurement of gains in that amount for the property of the "Ekspoars" private enterprise.

The police further report that minister Abramovic is also suspected of obtaining and selling livestock feed, as well as meal, oats, and meat, through his private firm, "Vidrovan" in Niksic, which is registered for the production of livestock feed, although he did not possess the authorization for this activity. In this way, by means of resellers and middlemen, he obtained illegal gains for himself. In explaining the criminal charges, the police estimate that it was a case of premeditated acquisition of illegal gains.

[Box, p 7]

What Milo Djukanovic Says

"Not to prejudice the outcome of the criminal procedure, but in order to create conditions for the respect for the full autonomy, independence, sovereignty, and objectivity of the judicial organs, according to article 95 of the Constitution of the Republic of Montenegro and article 10 of the Law on the Government of Montenegro, I propose that the assembly, at its first meeting, dismiss a member of the government—minister of agriculture, forestry, and waterpower engineering Branko Abramovic," announced today the Montenegrin prime minister, Milo Djukanovic.

[Box, p 7]

Powerful Minister

Branko Abramovic is already the second mandate in the cabinet of Milo Djukanovic. He was appointed minister just at the time when newspaper columns were full of public accusations by the workers of the "Muharem Asovic" mill in Niksic against the person of Branko Abramovic, director of the mill at that time. The Niksic public prosecutor's office, on the basis of these accusations and other actions, filed charges against Abramovic, but the ministerial immunity stopped all this.

Several workers were suspended because of these charges. They sought court protection, won and lost disputes, and finally proved that they were right. But, the minister took steps so that they would not return to work, despite the verdicts in effect.

Macedonia

Denko Maleski Appointed Ambassador to UN

AU1008083993 Skopje MILS-NEWS in English 9 Aug 93 no page number given

[Unattributed report: "Denko Maleski Ambassador to the UN"]

[Text] The President of the Republic of Macedonia Kiro Gligorov appointed Dr. Denko Maleski to the post of extraordinary and plenipotentiary ambassador of the Republic of Macedonia to the UN.

Dr. Denko Maleski is a professor at the Faculty of Law in Skopje and former Minister for Foreign Relations of the Republic of Macedonia, who served in the two former Macedonian Governments.

Crvenkovsi Says Economy Unchanged

AU0908174893 Prague MLADA FRONTA DNES in Czech 6 Aug 93 p 9

[Interview with Foreign Minister Stevo Crvenkovski by Lubos Palata in Skopje; date not given: "In the Political Sense, the Worst Is Over for Macedonia"]

[Text] Macedonia, yet another country of the former Yugoslavia, remains in the shadow of the bloody war in Bosnia-Herzegovina. This country has problems with its recognition, and disputes with Greece persist. MLADA FRONTA DNES and CTK asked Foreign Minister Stevo Crvenkovski for an interview.

[Palata] There will most likely be another round of talks between Macedonia and Greece by the end of August. Do you expect that some decisive reversal will take place at these talks?

[Crvenkovski] Yes, we do believe that our positions will become closer. It is in the interest of both countries to establish long-term good relations. In this connection, it is important to say that the dispute with Greece on the utilization of our current flag and name of our country was artificially provoked by Athens and is only a problem covering other problems. Macedonia wants to conclude an extensive treaty with Greece, whose model could be, in our opinion, the German-Polish treaty.

[Palata] Is Macedonia still in international isolation due to Greece's attitude?

[Crvenkovski] No, this is not true anymore. We are a member of almost all the international organizations, such as the United Nations, UNESCO, the Central European Initiative.... We should become members of the World Bank in October. We have been recognized and have established diplomatic relations with many countries of the world. We also believe that this new situation will have an impact on the influx of new investments to the country.

[Palata] UN peacekeeping forces are presently deployed in the country. Does that threaten Macedonian sovereignty?

[Crvenkovski] We do not think so. On the contrary, this has a very positive importance for us. It is the first time in history that the United Nations decided to conduct a preventive peace operation. This is a clear signal that the world desires peace in Macedonia and supports the territorial integrity of the country and its independence. The presence of UN troops has a positive influence on the country's political stabilization.

[Palata] In Macedonia, there are also Americans among the UN forces. What are your relations with the United States?

[Crvenkovski] The United States' viewpoint has been unalterable for a long period of time, which has meant support to the territorial integrity and sovereignty of Macedonia since day one. We also believe that all the world powers are interested in retaining peace in our region. A possible spread of the war would necessarily provoke an all-Balkan conflict.

[Palata] How do your neighbors react to the military presence of Americans in Macedonia?

[Crvenkovski] As long as they have good intentions, their presence in this contingent should not make anyone uneasy.

[Palata] How are your relations developing with the surrounding countries?

[Crvenkovski] I have spoken about Greece. Two of the other three—Bulgaria and Albania—have recognized us, and our relations are improving.

[Palata] In your opinion, is the worst over for Macedonia?

[Crvenkovski] Yes, politically. We are not in total political isolation any longer, but economically the situation has not changed. Despite the fact that we have stabilized our financial system, the UN embargo causes enormous, even if indirect, problems to us due to the geographic position of our country. As long as this embargo is in force, our economic situation will not improve.

[Palata] Does your country support the Croatian-Serbian plan for Bosnia's division, and how do you view the possibility of a military intervention?

[Crvenkovski] The war must be stopped as soon as possible, since this war poses a threat to all the regions. As for the Croatian-Serbian plan, we insist on the fact that a peace settlement must be based on the agreement of all three fighting parties.

[Palata] What are your relations with the Czech Republic? In the event that diplomatic relations are established and the government in Skopje is recognized by the Czech Republic, will you open an embassy in Prague?

[Crvenkovski] The Czech Republic is a very important partner for us. Before the crisis, our cooperation was intensive but due to the disintegration of Yugoslavia, it was reduced to a minimum. We believe that cooperation will be revived. The issue of opening our permanent mission in Prague is mostly an economic problem for us.

Drop in Production, Cost of Living Reported

*AU1008083793 Skopje MILS-NEWS in English
9 Aug 93 no page number given*

[Unattributed report: "Macedonian Economy in Turmoil"]

[Text] According to official statistics, 176,002 persons were looking for a job in May this year in the Republic of Macedonia.

During the first half of this year, the total production has been reduced for 15.3 percent, while the largest drop has been recorded in the field of machine production with 58 percent, the manufacture of chemical products 33.2 percent, production of vehicles with 27.9 percent, black metallurgy 24.4 percent and production of electric machines and equipment, where the reduction of production is 22 percent.

This drastic drop in production in these industrial branches is mainly due to the UN sanctions against Federal Republic of Yugoslavia and the difficulty in transporting raw materials into the republic.

According to data from the Macedonian Chamber of Commerce, the biggest production drop in the first six months of this year has been recorded in the community of Ohrid (36 percent), Kumanovo (35.9 percent), Prilep (29.1 percent), Stip (20 percent), Skopje (19.5 percent) and Bitola (3.4 percent).

Due to this year's vast drought in Macedonia, the drop in production of barley is 10 to 15 percent compared to last year and of wheat 25 to 35 percent.

The vineyards are expected to yield a 75 to 85 percent smaller crop than last year, while in the sheep raising business for 30 to 60 percent.

However, according to the republic's bureau of statistics, the retail prices in June have recorded a drop of 0.9 percent compared to last month, while the costs of living have dropped 8.9 percent. The drop in the cost of living is due to the drop of food expenses which in June compared to May this year was estimated at -24.4. percent.

Kosovo

Prosecutor Demands Probe of 'Illegal' Albanian Groups

AU0908162193 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 9 Aug 93

[Text] The District Public Prosecutor's Office in Pristina has presented a demand for an investigation of members of two illegal organizations, which were preparing an armed rebellion of Albanian separatists in Kosovo and Metohija. Milivoje Mihajlovic has the details.

[Begin Mihajlovic recording] The members of these two illegal organizations are accused of preparing an armed secession of parts of Yugoslav territory with an Albanian population so as to form a separate state or attach them to Albania. Raif Cheljaj from Rasani near Kosovska Mitrovica, Kalik Saliku from Donja Dumica near Vucitrn, Sadik Mustafa from Pristina, Agron Rahmani from Balovac near Podujevo, Ramize Abdulaku from Kosovska Kamenica, Avni Zitija from Podujevo, and Skender Hajdari from Vitina, who were arrested on 27 July this year, and Bahri Fazliju, and Avni Klinaku, who are on the run, last December formed the National Movement for the Liberation of Kosovo. [all names as heard] The program of this organization stresses that its intention is to organize an Albanian armed rebellion with the aim, as it says, of liberating Albanian territories from the greater Serbian, Montenegrin, and Macedonian conquerors, since they claim part of Montenegro and western Macedonia as parts of Kosovo.

According to Jovica Jovanovic, deputy district public prosecutor in Pristina, at the beginning of this year members of this group distributed leaflets in several places in Kosovo and Metohija calling on Albanians to raise an armed rebellion. It is interesting that the members of this organization swore an oath in front of a photograph of Enver Hoxha and the Albanian flag. Most of them used to belong to Marxist-Leninist groups that followed Albanian separatist programs. The prosecutor accuses them of preparing and committing the criminal act of endangering the territorial integrity of Yugoslavia, for which a sentence of 110 years in prison is envisaged.

In 1990, two members of this organization, Raif Celja and Salih Mustafa, together with Hajredin Hiseni, Ismet Mahmuti from Donja Lapasnica, Faik Ajeti from Virovac, Nehad Selimi from Presevo, Dzaved Haziri from Vucitrn, and Hamit Zechiri, Ahmet Adziju, Redzep Abdiju from Pristina, refounded the National Movement for the republic of Kosovo. [names as heard] This organization, too, envisages armed rebellion by the Albanians in Kosovo and Metohija. Investigations revealed that members from abroad brought into Kosovo and Metohija five machine guns, two Russian machine guns, two (?Heckler) automatic rifles with a silencer and sniper sight, two Uzis, two Zolja portable rocket launchers, two Italian automatic rifles, 16 bombs, one Winchester gun, a significant amount of explosive, clock mechanisms, remote control devices, and a large amount of other military equipment.

The members of this group carried out theoretic and practical military training near Podujevo. The investigation so far has also revealed that the members of this group did not agree with the type of political struggle exercised by the Albanian parties in Kosovo and Metohija, but that some of them were nonetheless members of these parties. Instructions were found on members of these groups about how to react with the police after possible arrest. They held several sessions with leaders of the organization from Macedonia and abroad, from whom they received instructions on operations. Since the members of these organizations had the weapons and equipment for terrorist operations, there is the suspicion that those responsible for recent attacks on the police in Kosovo and Metohija can be found among them, even though the District Prosecutor's Office says that there is no such evidence yet.